

Morpeth & Berwick County Court

Claim Number: 7QZ49340

We are instructed by HSBC Bank plc in respect of the claim you have recently issued in relation to charges levied on your account in the period from 2nd May 2001 to 11th April 2007.

A breakdown of charges is currently not held on our file. Therefore our client has conducted a comprehensive review of your account.

We are at a loss to understand why you have sought to recover charges and interest from our client and additionally 8% on the total charges and interest. Please confirm to us the legal basis of your claim in relation to recovery from our client of what would seem to be overdraft interest applied to your account.

Our client's interest rates are well publicised in respect to both formal and informal overdrafts. You appear to be seeking a refund overdraft interest on your account. It is, of course, a condition of your borrowing with our client that you will pay interest at the agreed rates on that borrowing. As such there is no question of our client refunding interest when your account was in an overdrawn state.

HSBC is entirely confident that its charges are reasonable, are properly and fully disclosed in its terms and conditions and published price list and you must have been aware that you would incur such charges depending upon how you managed your financial affairs. HSBC is confident that it was entitled to apply these charges and that it would successfully resist your claim in the Courts.

HSBC is, however, mindful of the management time and irrecoverable legal costs associated with litigation in the small claims regime. For those commercial reasons alone, and without any admission of liability whatsoever, HSBC is prepared to make an ex gratia payment to you in the sum of £2,173.66 which is inclusive of statutory interest to date and Court fee. That payment is made in full and final settlement of your claims arising from the charges applied to your account in the period referred to above and by accepting this payment you agree not to make any other claims relating to charges for the period stipulated above. HSBC also, reasonably, requires your confirmation that you will treat this payment as confidential.