

Complaint

Mr G complains that HSBC UK Bank plc trading as First Direct treated him unfairly when it denied that it had given him certain information about an arrangement for a withdrawal from his account.

Background

Mr G had a current account with First Direct which had an overdrawn balance. Mr G says that he had difficulties managing this account. First Direct agreed to open a second current account for him which he could operate in credit.

Mr G contacted First Direct and asked it to transfer a credit that had been made to the first account into the second account. He wanted to be able to access these funds. First Direct agreed to do this but Mr G then realised that he hadn't received his debit card so he telephoned First Direct to ask it how he could access the funds.

First Direct told him it would allow him to use the debit card on his overdrawn account to withdraw £50 from an ATM. Mr G says that First Direct told him that it would increase the overdraft on the account. He could then use the debit card on the overdrawn account to make the withdrawal and it would make arrangements with him to pay the full overdrawn amount back.

Shortly after this, Mr G says he discovered that First Direct had transferred the £50 from his new account into the old account to cover the amount of the withdrawal. Mr G says this was not what was agreed. He contacted First Direct about this. He says that First Direct lied to him about what was said on the call. Mr G believes that this treatment amounted to discrimination. He had previously told First Direct about his mental health problems and by lying to him about what was said on the call, he says that First Direct was 'gaslighting' him. He complained to First Direct.

First Direct looked into his concerns. It acknowledged that during the initial call to set up the arrangement for the withdrawal the adviser could've been more transparent. It also acknowledged that when the call was discussed with Mr G the contents of the call had not been accurately portrayed. First Direct also said there'd been some other service failings and it offered to pay Mr G £300 by way of compensation. But, First Direct also told Mr G that it was concerned that he'd suggested that its staff were purposely lying to him. It said that if this continued it would end its banking relationship with him.

Mr G was dissatisfied with this response. He says that First Direct admitted it had lied to him about what was said on the telephone call and that its conduct was not acceptable given his mental health issues. So, he complained to our service.

Our investigator looked into his complaint. He said that he'd listened to the telephone calls when the arrangement to make the £50 withdrawal was set up. He said he couldn't see any evidence of errors that First Direct had made. It had set up a basic account for Mr G when

he'd had issues managing the other account. It had also made arrangements for him to access his funds when he hadn't received the debit card on the basic account. Our investigator also said that First Direct had correctly recorded dormancy markers on Mr G's credit file in respect of the overdrawn account. In the circumstances he didn't uphold the complaint.

Mr G didn't agree. He said that First Direct had been purposely deceptive about what was said during the telephone calls about the £50 withdrawal. So, the complaint has been passed to me to decide.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

At the outset, I'd like to make it clear that although Mr G has made a number of complaints about the service he's received from First Direct, I'm only looking into his complaint about the request to make a withdrawal of £50 from the new account that First Direct had opened for him.

Mr G acknowledges that he had difficulties managing his account. The balance on his current account was overdrawn. Any new credits were being applied against the overdrawn amount. So, Mr G hadn't access to funds to purchase essential items.

I can see that First Direct agreed to open a second account for Mr G. This meant that any new credits could go directly into the new account and Mr G would have access to those funds. First Direct also agreed to give him a two month breathing space to discuss arrangements to repay the overdrawn amount. I think this was a positive response to Mr G's situation.

On the day after the new account was opened Mr G contacted First Direct and asked it to transfer a credit, that had gone into the first account, to the new account. First Direct agreed to do this. Mr G then realised that he hadn't received the debit card for the new account and so he contacted First Direct about this. First Direct suggested to Mr G that it would be able to allow him to get cash by using the card on his overdrawn account.

I've listened carefully to the telephone call. The information given to Mr G about how the withdrawal would be funded was not as clear as it could've been. He was told that he'd need to phone back when he was at the ATM in order for the arrangements to be put in place.

When Mr G called back, First Direct made it clear to Mr G that it would increase the limit on his old account to allow him to make the withdrawal but that the money would then be moved back from his new account to the old account. Mr G said that this wasn't what he'd been told earlier but he agreed to go ahead with the withdrawal.

Mr G telephoned First Direct again shortly after he'd completed the withdrawal. He was told that the £50 had been debited from his new account. He complained that this wasn't what he'd been told during the first call. He asked for the first call to be listened to. Mr G says that two advisers from First Direct then deliberately lied about what was said on the first call.

The issue I have to decide is whether First Direct deliberately lied to Mr G about what had been said during the first conversation. When considering this I've also thought about what Mr G has said about his mental health issues. Having done so, whilst I know it will be

disappointing for Mr G, I can't see any evidence of a deliberate attempt by First Direct to deceive him about what would happen when he made the withdrawal.

During the first call, he'd been told that money would be put into the old account. But, he'd also been told that the overdraft would be increased so that he could take the money out. So, the information during that first call was unclear and confusing. He should've been given a clear message that the £50 withdrawal would ultimately be taken out of his new account.

First Direct has acknowledged that, after reviewing the first call, its advisers' recollection of what was said wasn't accurate. But, I don't see any evidence that this was because of a purposeful attempt to lie to Mr G about what had been said. I think it was because the information given to Mr G during the first call, wasn't as clear as it could've been.

I've also considered the information he was given when he was at the ATM. That information was clear. First Direct told him, before he made the withdrawal, that the money would ultimately be taken out of his new account. He was also told that the withdrawal amount wouldn't be added to his overdraft. So, despite the lack of clarity after the first call, I'm satisfied Mr G was given clear information before he made the withdrawal.

First Direct has acknowledged that its service could've been better. It has offered Mr G £300 compensation for failings in its service, including how it handled the first call and how it reviewed that call. Having taken everything into account, I think that is fair and reasonable compensation for what happened here. I don't require it to do anything more.

My final decision

For the reasons given above I do not uphold this complaint against HSBC UK Bank plc trading as First Direct.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 16 June 2020.

Irene Martin
Ombudsman