

## **The complaint**

Mr and Mrs P complain about a dormant account they held with HSBC UK Bank Plc trading as first direct (first direct).

## **What happened**

Mr and Mrs P's current and savings accounts were closed due to dormancy in 2013.

In April 2023, Mr P contacted first direct about the balances on the accounts. During this call, he was incorrectly told the accounts didn't have a credit balance at the time they closed.

After querying this further, the advisor located credit balances on both accounts totalling £779.26. Mr and Mrs P asked for the balances to be paid via cheque and were told this would take six to ten working days.

In May 2023 Mr P called first direct as they hadn't received the cheques. first direct said the cheques hadn't been sent as the background checks and backdated interest calculations hadn't been completed. first direct offered Mr P the option to receive the money into an account instead, and the balances and backdated interest were sent the next day.

Mr P complained, and first direct acknowledged the calls took longer than expected and he was misinformed about times for the cheque to be issued. first direct offered £75 for the poor service.

Unhappy with this response, Mr and Mrs P asked our service to look into things. Whilst with our service, first direct increased the offer of compensation to £100.

Our investigator felt the compensation was fair and reasonable. They said Mr and Mrs P didn't incur any financial loss and the offer addressed the impact of the misinformation provided by first direct.

Mr and Mrs P didn't agree with the investigator's opinion. They said they spent a long time on the phone trying to resolve matters and if they didn't have a copy of their statements prior to dormancy their money would have been lost.

Mr and Mrs P explained they would have accepted £100 at the time the complaint was first raised with first direct but don't feel it now sufficiently compensates them.

## **What I've decided – and why**

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

Our role at the service is to resolve individual disputes about financial businesses. We have the power to put things right in the individual case referred to us if we think the business has done something wrong and it's had an impact on the individual.

Mr and Mrs P have shown concern about other customers losing out on their funds when accounts are made dormant. But my role is to look at whether first direct has acted fairly and reasonably towards Mr and Mrs P and not customers generally.

first direct calculated interest on the balance until May 2023, the date when it was paid to Mr and Mrs P. I agree with the investigator, I don't think there's been a financial loss here.

And there's no dispute first direct initially couldn't locate money owed to Mr and Mrs P, and they were then given the incorrect timescale in receiving it. It's unfortunate Mr and Mrs P were misinformed, and I can understand their frustration about the time and effort spent in reclaiming their funds.

first direct acknowledges it could have provided a better service and I think it took prompt steps to put things right when Mr P contacted them again in May 2023. I think the offer of £100 is appropriate in the circumstances.

Mr and Mrs P felt £100 addressed the impact when the complaint was raised with first direct. I don't think there's been any further inconvenience since Mr and Mrs P said this would resolve their complaint.

I realise Mr and Mrs P raised a complaint with our service, but we're not here to award compensation as a means of punishing a business for a consumer bringing their complaint to our service.

I'm not persuaded there's been any additional impact to Mr and Mrs P that means they're due more compensation than the £100 already offered.

### **My final decision**

My final decision is I uphold this complaint. HSBC UK Bank Plc trading as first direct should pay £100 to Mr and Mrs P to compensate them for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 15 February 2024.

Chris Russ  
**Ombudsman**