

The complaint

Miss C complains HSBC UK Bank Plc trading as first direct consistently failed to make reasonable adjustments for her and provided her extremely poor customer service at times. Miss C says first direct has a toxic culture and has “gaslighted” her at times.

What happened

Miss C had a current account, a credit card account, a savings account, ISAs and an offset mortgage with first direct. Most of her accounts were closed in 2022, by which time she’d been a customer for over 20 years.

In April 2020 Miss C sustained a serious head injury that she says had and continues to have a significant impact on her daily life. Miss C says:

- she has to limit the amount of time she uses screens; and
- she cannot tolerate, for example, being put on hold and made to listen to music,

as a result of her head injury.

Miss C also says she has real problems with her post – as does everyone who lives in the same block as her – which means she doesn’t receive letters on a regular basis.

Miss C says the impact of her head injury, combined with the problems she has with her post, meant that she relied on first direct staff to give her accurate information about her account so that she could manage her finances properly from April 2020 onwards.

Between June 2020 and April 2022 Miss C made a large number of complaints to first direct. During that period, first direct issued over 10 final responses in response to multiple complaints – including three final responses relating to problems its migration from VISA to Mastercard caused – see below. Some of those complaints relate to specific incidents – for example, inaccurate information Miss C says she was given about her mortgage payment history – others relate to recurring themes – for example, members of staff wanting to put Miss C on hold / wanting to transfer her to another department and / or failing to make reasonable adjustments. As I’ve already mentioned, three of those final responses related to problems Miss C had with a third party – who I’ll refer to as “A” throughout the rest of this decision – with whom Miss A had a credit card. Miss C says she couldn’t understand why her monthly payment to A started failing in September 2022 and that she spent hours on the phone trying to get to the bottom of what was happening. Miss C ultimately discovered her payments started failing because first direct had migrated from VISA to Mastercard.

First direct paid Miss C compensation in relation to some of her complaints, and in relation to others said it had done nothing wrong.

In April 2022 Miss C began referring complaints to use.

One of our investigators looked into Miss C’s complaints and said some had been referred to

us out of time. In addition, they recommended that first direct pay Miss C an additional £300 in compensation for the distress and inconvenience she'd been caused as a result of the things that had gone wrong up to first direct's decision to close Miss C's account.

Miss C was unhappy and asked for her complaints to be referred to an ombudsman. So, her complaints were passed to me.

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.

Last month I issued two jurisdictions decisions saying which of the complaints Miss C made between June 2020 and April 2022 our service could and could not consider. In addition, I issued a provisional decision with my thoughts on what, if anything, had gone wrong up to first direct's decision to close Miss C's account.

In my provisional decision I made a number of observations – having listened to over 30 calls between Miss C and first direct and our service and having spoken to Miss C on a number of occasions. I said that they were the types of observations I would have expected first direct to have made when deciding what adjustments, if any, it needed to make to its services. So, I'm going to repeat them here. I said:

“Miss C is clearly an intelligent individual who grasps issues very quickly. She also doesn't like being on the phone longer than she needs to be and likes to move on from one point to the next as soon as she's finished. She's also an individual who can get frustrated when someone else can't keep up with her or doesn't have answers straightaway. And she'd rather people ring her back when they've got the answer rather than wait or be transferred to someone else able to answer a particular question she has. Much of this is down to her head injury which means she cannot tolerate being put on hold – and hold music in particular – and has to limit the amount of time she spends online. The combination of her head injury, and her need to limit the amount of time she spends online, along with her unreliable post, means that it's really important to Miss C that she's able to speak to someone on the phone who can answer a broad range of questions quickly and accurately. It's clear from comments that I've heard Miss C make that she feels this was something first direct used to do very well, but not so much recently. In particular, it's clear that she feels first direct having lots of different areas dealing with particular issues – what she refers to as a “fragmented” approach – isn't helpful for someone like her. I don't necessarily agree with all of these observations, but I do think first direct could have done more sooner to adapt its service to Miss C's particular needs. I say this because it's clear that first direct was still “making mistakes” two years after Miss C had explained she'd had a head injury and the challenges that this caused. And those mistakes caused Miss C to become more and more frustrated and distressed over time. In other words, had a cumulative impact on her.”

Mastercard problems

In relation to the problems Miss C had with her payments to A, I said the following in my provisional decision:

“I do think first direct could have done more in this particular case to help Miss C understand the implications of its migration from VISA to Mastercard. Equally, given that Miss C believed she'd set up a direct debit to pay [A], I don't think first direct could have done much more until she called them on [date] to find out why her payments to

[A] were failing. At that stage, I'm satisfied that Miss C didn't understand what was going on. To its credit, first direct did spot that she'd set up a continuous payment authority after the call, and why this had failed, but I do think the agent could have worked this out too. That's not to say that first direct should take full responsibility. I do think Miss C could have given the agent more time to work out what was going on, and I can understand why they were looking for a direct debit payment given that this is what Miss C said she'd set up. In short, it was a call where both parties could have helped more get to the bottom of what was going on. Had they done so Miss C would have been spared some distress and inconvenience."

Reasonable adjustments and calls generally

In relation to first direct not making reasonable adjustments and the calls I'd heard, I said the following in my provisional decision:

"I can see that Miss C complained on a number of occasions that first direct needed to make reasonable adjustments for her – including not putting her on hold and calling her back and not making her repeat herself. Given her circumstances, and in particular how much she came to rely on first direct for information, I do think first direct could and should have done more to help. Equally I've listened to calls Miss C made before her head injury and, having done, I'm satisfied that she's someone who thinks quickly, likes an answer quickly and can sometimes be short with people. I don't mean any of those as criticisms – they're simply observations. But I do think they're relevant because they go a long way to explaining why quite a few of the calls I've listened to – given how Miss C is and the impact of her head injury and the problems she has with her post – went off track. Once I've considered some of the other problems Miss C has complained about – and whether or not first direct did anything wrong – I'll say what compensation, if any, first direct should pay to Miss C. That will mean saying something about what impact, if any, anything first direct did wrong had on Miss C."

Impact

In relation to the impact the mistakes first direct made, I said the following in my provisional decision:

"I'm satisfied that Miss C has been let down by first direct on a number of occasions, and that first direct didn't always provide her with the accurate information she needed given her particular circumstances to manage her finances well. Miss C has said what the impact of some of these mistakes was like. For example, she's said that [agent one] giving her incorrect information about her mortgage payment history caused her to have a major panic attack. I have, however, heard the call and, having done so, I'm satisfied that Miss C strongly believed [agent one] had made a mistake because she knew she'd been paying her mortgage. I'm also satisfied that [agent two] confirmed this within a couple of minutes. Taking the cumulative effect, however, and the reliance Miss C placed on first direct, I'm minded to say that all the occasions on which first direct let Miss C down have a very significant impact on Miss C and that an award of £1,000 would be a fair award having regard to our approach to compensation. So that's the award I'm minded to make."

Both parties were invited to comment on my provisional decision. Miss C did. First direct didn't. Miss C's comments were, however, more to do with the question of whether or not she'd referred all of her complaints in time. In other words, relevant to other decisions I've issued. In other words, neither party had anything new to say about the complaints I'm considering in this decision.

Putting things right

I've reconsidered everything both parties have said, and having done so I remain of the view that all the occasions on which first direct let Miss C down have had a very significant impact on Miss C and that an award of £1,000 would be a fair award having regard to our approach to compensation. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint requiring HSBC UK Bank Plc trading as first direct to pay Miss C £1,000 in compensation in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 29 November 2023.

Nicolas Atkinson
Ombudsman