

The complaint

Ms C complains that HSBC UK Bank Plc trading as first direct failed to advise her about the requirement to pay £1,000 into her account to qualify for a switching incentive of £175. As a result she didn't receive the payment.

What happened

In February 2023, through a comparison site (U), Ms C applied to switch her account to first direct. She received a letter on 10 March 2023 confirming the switch had been completed. In October 2023, when she was querying something else, Ms C asked why the switch incentive hadn't been paid to her. She was told that as she hadn't paid £1,000 into her account within three months of opening it, she didn't qualify for the incentive.

Ms C raised a complaint with first direct about this, and said that according to U's website there was "no funding requirement". She also said that she was not told by first direct when opening the account about the need to make the payment, or when it should be paid by. First direct explained that firstly this referred to the operation of the account, not the switching, and that it had no control over U's site. It also said that U's site provides a link to first direct's website where the full conditions of the switching incentive are set out. It also said that it wasn't its policy to contact customers regarding meeting the criteria, when the end of the qualifying period is approaching.

On referral to the Financial Ombudsman Service, our Investigator said that the information on first direct's website regarding the offer is clear and the onus is on the customer to ensure they're meeting the criteria, so we wouldn't expect first direct to have sent any reminders following the account's inception.

Ms C disagreed, as she didn't believe that first direct had acted fairly by not giving her an opportunity to pay the money into the account. She had paid £1,000 into the account but was told it was too late.

The matter has been passed to me for an Ombudsman's consideration.

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.

I understand Ms C applied for the account via U's website. She's also provided a screenshot from another comparison website, F. As regards the latter website, it does clearly set out that £1,000 has to be paid into the account to qualify for the switching incentive. There's no current link to first direct in respect of an account switch on U. However I accept that at the time the site referred to there being "no funding requirement" for an account with first direct.

However as first direct has explained the no funding requirement refers to operation of the account. The customer does not have to run the account in any particular way eg by transferring direct debits to it. And, as it provides links to banks' websites, I do think that it

did so in the case of a switch to first direct. This opens a page on the website which sets out clearly the conditions for switching an account to first direct and being eligible for the £175 switching incentive. This says:

“Switching to us

Claiming your £175

To get the £175 cash offer you need to open a 1st Account, switch your everyday banking to us using the Current Account Switch Scheme and pay in at least £1,000 within three months of opening the account.”

In view of the above, I’m satisfied that first direct was clear from the start in terms of what was required and treated Ms C fairly by ensuring it was mentioned clearly within the switching offer details. I bear in mind that first direct has no control over U’s website

Ms C says she wasn't told when her account was open and when she needed to pay the £1,000 in. She did however receive a letter dated 10 March 2023 telling her that the switch was complete, and she deposited £11 into the account on 21 March. And customers will switch their accounts to first direct for all sorts of reasons, whether or not they are eligible for the switching incentive. Having decided to switch her account to first direct because of the switching incentive it was up to Ms C to ensure that she carried out the necessary steps to receive it. And three months is a reasonable time period within which to comply. So I don't think it was first direct's responsibility to inform her once she had opened the account.

Finally Ms C refers to new FCA regulations. I assume that she's talking about the Consumer Duty. This applies from 31 July 2023. It doesn't apply to complaints about events that happened before that. Ms C opened the account in March 2023 and would have had to pay in the £1,000 by June 2023. So the Consumer Duty does not apply in this case.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms C to accept or reject my decision before 26 June 2024.

Ray Lawley
Ombudsman