

## **The complaint**

Mr P complains that HSBC UK Bank Plc trading as First Direct won't allow a warrant to credit his account, despite them allowing eight similar warrants to credit his account.

## **What happened**

Mr P says that he paid nine warrants from a third party company on 14 December 2023 into his First Direct account, using the electronic cheque facility with First Direct. The warrants related to prizes won by his late mother, and they were made out to Mr P's name, and they also showed re: (Mr P's late mother's name) Decd. One of the nine warrants was rejected, although Mr P says there was no indication at the time which warrant was rejected by them.

Mr P contacted First Direct who told him he needed to open an Executor account (but they didn't offer one of these accounts), but Mr P told them that the Grant of Probate had already been received by him. He says it is unreasonable to expect him to open an Executor account when they accepted the other eight warrants, and the warrant is clearly made out to him, but it just has an extra line showing his late mother's name on the warrant. Mr P made a complaint to First Direct.

First Direct did not uphold Mr P's complaint. They said a letter was sent to him explaining that the payee name didn't match the name on the account, which was dated 14 December 2023. They acknowledged as it was a letter sent, he wouldn't be aware of the contents immediately. They said there must have been a glitch in the system as the other warrants should have also rejected, and they said the rejected warrant would need to be paid into an Executor's account. Mr P brought his complaint to our service.

Our investigator did not uphold Mr P's complaint. She said she didn't believe that First Direct did anything wrong when the warrant was rejected as the names on the warrant didn't match the details of the account holder.

Mr P asked for an ombudsman to review his complaint. He made a number of points. In summary, he said First Direct's terms and conditions do not mention payee's on cheques/warrants, the warrants were clearly made out to him, they mention his name more than once, and they just show his late mother on a second line, First Direct should be taking action regarding allowing eight warrants to be accepted (and not accepting the other warrant), there was no information provided as to which warrant was rejected until he received a letter days after the rejection, opening an Executor account would be a serious inconvenience to him, and other people in the same situation shouldn't be treated this way by First Direct.

## **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.

Firstly, I'd like to pass my condolences on to Mr P. I'm aware that I've only summarised Mr P's complaint points. And I'm not going to respond to every single point made by him. No

discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I must make it clear to Mr P that it is not within this service's remit to tell a business how they should operate their policies and procedures, such as whether to accept any warrants which contain another person's name. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct First Direct to make changes to their policies and procedures, if necessary.

While Mr P has mentioned how other people in the same situation as him shouldn't be treated this way, I'm only able to look into the merits of the individual complaint he has brought to our service. As First Direct's procedure in Mr P's situation where a deceased person is named on a warrant/cheque is for the other named person to open an Executor account, then as First Direct made no error on this point, then I'm unable to ask them to change their procedures.

I agree with Mr P that First Direct's terms and conditions do not state that the name on the cheque/warrant needs to match the name on the account, otherwise a cheque/warrant won't be paid. But this doesn't necessarily mean that First Direct have acted unfairly here. It would not be proportionate for them to cover every single scenario in their terms and conditions.

But I don't find it unproportionate that because the warrant does show another person's name on the cheque and says "*Decd*" (deceased), that they would suggest that this needs to be paid into an Executor account – even if this would cause Mr P inconvenience. While Mr P's name is mentioned more than once on the warrant, and his late mother's name is only named once, I'm not persuaded this should result in First Direct accepting the warrant when someone who isn't named on his First Direct account is named on the warrant.

I've considered what Mr P has said about not knowing which warrant has been rejected until days after the fact, via letter. While Mr P's statement shows a cheque (warrant) failed and the amount, he paid in other warrants for the same value, so his statement wouldn't show which one was rejected/failed. The terms of the account shows if a cheque has been paid into his account and it is returned unpaid, they'll tell him. So I'm satisfied that the letter meets this requirement even though it is not as immediate as Mr P would have liked them to tell him about the unpaid warrant. The letter is dated on the same day the warrant was unpaid, and I can't hold First Direct responsible for any postal delays, when they have sent the letter to his registered address.

I've considered what Mr P has said about First Direct should be taking action regarding allowing eight warrants to be accepted and for not accepting the other warrant. First Direct did not follow their procedures here. If they would have followed their procedures then they should have rejected the other eight warrants if they all featured the name of Mr P's late mother in addition to his name, like they did with the warrant they rejected. But as this was to Mr P's advantage, and First Direct credited the funds to his account for these eight warrants, I won't be asking them to reverse these payments, which would cause Mr P further complications. So it follows I don't require First Direct to do anything further here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 May 2024.

Gregory Sloanes  
**Ombudsman**