

The complaint

Mr M is unhappy that HSBC UK Bank Plc, trading as First Direct, closed his bank account. He'd either like them to terminate his relationship with them entirely or reinstate his bank account.

What happened

Mr M had several accounts with First Direct including a bank and a personal loan. Mr M's loan account remains open.

On 19 December 2023 First Direct sent him a letter notifying him that his bank account will be closed on 19 February 2024.

Mr M wasn't satisfied with First Direct's decision so raised a complaint. First Direct looked into his complaint but didn't think they'd acted unfairly.

Mr M wasn't satisfied with First Direct's response so brought a complaint to our service. He explained he was unhappy that First Direct chose to close his account because of the complaints he raised. Mr M said their reasoning doesn't make sense, they'd like a clean break but if that was the case they should also write off his remaining debt.

One of our Investigators looked into his complaint, but didn't think First Direct acted unfairly in closing his account.

Mr M didn't accept our Investigator's outcome. In response he said:

- The relationship didn't breakdown – one of First Direct's staff, I'll call P, acted inappropriately
- An email he shared, about P, wasn't commented on in the view
- If they need to offboard him they should do so for all products
- They should either reinstate his bank account and the full relationship or terminate all products (with the debt being written off)
- He's been forced to accept a lesser savings account elsewhere

As Mr M didn't agree it's been passed to me to decide.

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.

First Direct made its submission in confidence. Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided

rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it.

Here, the information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether First Direct has treated Mr M fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint

A Bank is entitled to decide who they'd like to contract with, much as a consumer is, as long as they comply with their terms and conditions, treat them fairly and don't discriminate. Having reviewed what's happened in Mr M's case, I realise this will disappoint him but I'm satisfied that First Direct followed their terms and conditions, and acted fairly when closing Mr M's account.

Mr M said that First Direct's decision to offboard him for his current and savings account products isn't fair, when they've kept his loan account active. I understand Mr M's frustration here, but having reviewed the terms of Mr M's current and savings accounts I'm satisfied First Direct acted fairly in closing them. It doesn't follow that they also need to terminate the loan agreement he has in place with them or write off the outstanding balance. And I'm afraid I'm unlikely to regard it as unfair that First Direct didn't write off the outstanding balance – I say this as Mr M hasn't argued he didn't take out the loan and it follows I can't say it's unfair for First Direct to hold him responsible for the debt.

I've reviewed an email Mr M received from First Direct regarding P. I agree that the email accepts P didn't act appropriately, and compensation was paid. But, I'm afraid I'm satisfied that First Direct had other, fair reasons for closing his account. Which aren't directly connected to the email – or P. I can't share anymore about this for the reasons I've already outlined.

For the reasons I've outlined above I won't be asking First Direct to do anything further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 July 2024.

Jeff Burch
Ombudsman