

The complaint

Mr P complains that HSBC UK Bank Plc (trading as first direct) did not tell all relevant parties about his account switch, as it said it would.

What happened

Mr P says that when he changed his current account to first direct, he expected the bank to tell all parties about his new account details as that is what it advertises on its website. However, he says, he found that the website was misleading as the organisations providing his pension and benefits income told him he needed to confirm the new account himself, and not to rely on first direct. As a result, Mr P says, he had to provide multiple documents, and pay a visit to the benefits office before the payments were switched. Mr P further complains about the customer service he received from first direct when he contacted them about the issue.

First direct says that, as Mr P proactively contacted the source of his universal credit, the organisation followed its own process for switching a beneficiary account. It says that the payment would automatically have been redirected to Mr P's account under the Current Account Switching Service (CASS) and the originator would have been informed of the new account details.

Our investigator did not recommend the complaint should be upheld. She didn't consider that the information on first direct's website was misleading and was satisfied that the current account switch was completed as instructed and the credits would have been correctly received into the new account.

Mr P responded to say, in summary, that he only contacted the organisations in question when he realised that first direct would not do so. He said this was after the switch was complete.

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 Mr P made a call about his universal credit payment on 2 July 2024 – the same day that his current account switch was completed. He says he was told that his benefits would not be redirected and that he had to visit an office with various forms of identification. Much as I empathise with the frustration that Mr P must have felt when he received this information, I need to consider whether this was as a result of an error made by first direct.

CASS says “All incoming and outgoing payments will be automatically redirected to your new account. Each time a payment is redirected, an automatic message is sent back to the originator advising them of your new account details so they can update their records. Some organisations may contact you directly to confirm your details have changed.”

So, I'm satisfied that, if Mr P had done nothing following the account switch, his benefits and pension would have been automatically redirected as per the CASS process. As it is, I consider he was given incorrect information by the benefits office and was advised to instigate the switch himself. However, that would have been based on its own processes for changing a recipient's bank account details.

Finally, I have considered what Mr P says about how he was treated by the customer relations team, and I acknowledge that he says they were rude and arrogant and hid behind terms and conditions. Mr P adds that he wants compensation for his travel costs and time spent.

However, in summary, I can't see that first direct made an error, nor that its website was misleading, so I can't conclude that it needs to do anything further here. Indeed, I can see that Mr P received the expected income in July, so I also don't find there was any financial impact as a result of the switch.

My final decision

My decision is that 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 14 November 2024.

Amanda Williams
Ombudsman