

The complaint

Mr N complains that HSBC UK Bank Plc trading as first direct continually blocked his payments to his wife for no apparent reason.

What happened

Mr N complained that since January 2023 first direct had been regularly stopping a household spending payment he makes weekly to his wife, due to the transaction triggering fraud alerts. He adds that it caused him ongoing and serious inconvenience – effectively first direct were stopping him banking with his wife.

First direct advised that Mr N first made a complaint for which it provided a final response letter in August 2023. Essentially it said that, out of numerous payments Mr N made to his wife prior to August 2023, three such payments were blocked by its fraud detection process. It said it couldn't stop the payments being blocked. It sent a final response letter on 5 August 2023. After this, three further payments were blocked, the latest being in February 2024. Mr N made a further complaint and first direct issued a further final response letter.

Again Mr N had made numerous other payments to his wife which were not blocked. First direct has provided information to us concerning its fraud detection process which is confidential. However essentially steps were taken and my understanding is that no further payments have been blocked since February 2024.

On referral to the Financial Ombudsman Service, our Investigator said that she understood that it must have been frustrating for Mr N. However, first direct explained fraud checks form part of the account terms. It's not for this Service, she said, to say how first direct configures its fraud protection systems.

Mr N said it was not two isolated incidents but rather 13 months of having to go through lengthy phone calls to justify making a weekly payment to his wife. He wanted the matter resolved by first direct undertaking to enable flagging of 'safe' recipients after a customer has answered the fraud check questions once (or perhaps twice, but definitely not 10 or 20 times).

The matter has been referred 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 take the view that I can only look at the matter from August 2023 onwards. That is because on 5 August 2023 Mr N was sent a final response letter which would have given him six months to raise his concerns with the Financial Ombudsman Service. He raised his complaint with this service on 27 April 2024.

However what I can do is take into account that first direct did not appear to have resolved the issue when it sent a further final response letter in February 2024.

From the records I see that after 5 August 2024 first direct blocked 3 payments Mr N made to his wife, on 11 August and 15 October 2023 and on 17 February 2024. The latter payment was reversed as first direct had not heard back from Mr N before 9:00 PM on the day. However during that period Mr N was able to send 28 other payments that weren't blocked.

I understand also that first direct did take some action. I can't go into the action its took as that is part of the confidential information that it gave to us. However I believe as a result of that Mr N has had no further problems with payments to his wife, so his complaints appear to have achieved the result he wanted.

As our Investigator has explained, we can't interfere with first direct's fraud detection process. I'm satisfied that the blocks were done for a genuine reason. And, considering that the vast majority of Mr N's payments went through without any problems, I don't think there is any issue which I need to require first direct to take. As I've said hopefully the matter is now resolved.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 26 November 2024.

Ray Lawley
Ombudsman