

## **The complaint**

Ms M complains that HSBC UK Bank Plc t/a First Direct didn't honour a current account switch incentive payment and that the service she received when she contacted First Direct about the matter was poor.

## **What happened**

In May 2024 First Direct was offering a £175 switch incentive payment to customers switching their everyday bank account to it. The process involves the customer opening a new account with First Direct and then switching their existing account to the new account using the Current Account Switch Service (CASS). In addition, the customer is required to meet various other criteria – for example: paying in £1,000, switching two direct debits to the new account and using the debit card five times – all within 30 days of the new account being opened.

Ms M opened a new account with First Direct on 22 May 2024. But she says had to wait for the paperwork to arrive before she could initiate the switch – which she did on 5 June 2024. And that the first date she was allowed to complete the switch was 20 June 2024. As a result, she says she wasn't given enough time to meet the other criteria within 30 days of opening the new account.

Ms M contacted First Direct to discuss the matter, but she feels the member of staff she spoke to was derogatory about her financial situation. So, she complained to First Direct.

First Direct said Ms M didn't qualify for the switch incentive payment as she hadn't met the criteria. It said the incentive terms were set out on its website and confirmed in the welcome email it had sent her when she opened the account.

Unhappy with First Direct's response, Ms M referred her complaint to this service. One of our investigators looked into it. But she didn't uphold the complaint. She found that Ms M hadn't met the required criteria within 30 days of opening her account with First Direct. And she didn't think – having listened to the call recording, that the staff member Ms M had spoken to had been rude.

Ms M didn't accept this outcome. She said the investigator had not understood her point that the first available date she had been given to complete the switch was 20 June 2024, which was already nearly 30 days after she had opened the First Direct account. And this didn't allow her the time to meet the switch incentive criteria.

The investigator considered what Ms M said, but she didn't change the outcome she had reached. So, the complaint has 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.

Having done so, while I acknowledge Ms M will be disappointed, I've reached the same conclusion as the investigator for broadly the same reasons. But I will provide some further context to explain why.

I've looked at information which was available to Ms M when she opened the new First Direct account. The switch terms and conditions – which were set out in the incentive advertisement and in the welcome email sent to customers upon opening their new account, include the following:

### **Switch criteria**

- open a First Direct 1st Account on or after 7 May and before the offer is withdrawn.
- switch your everyday banking to us using the Current Account Switch Service (CASS).
- a full CASS switch including at least two Direct Debits or Standing Orders must be made within 30 Days of us opening your First Direct 1st Account.
- deposit a minimum of £1,000 (in single or multiple deposits) in your account...Deposit must be made within 30 days of opening your First Direct 1st Account.
- use your debit card 5+ times.... the transactions must be posted to your account within 30 days of us opening your First Direct 1st Account.
- register and log on to Online Banking, within 30 days of us opening your First Direct 1st Account.

Overall, I think First Direct provided enough information so that customers should be reasonably aware of all the criteria that had to be met and by when to qualify for the incentive.

It's not in dispute that Ms M didn't meet the criteria as set out above, so – on this basis, I'm satisfied she didn't qualify for the incentive payment. However, I have gone on to consider whether First Direct allowed Ms M sufficient time to complete all the transactions required in the switch criteria.

Firstly, I should explain that a bank isn't required to offer incentive payments like this. But - when they do, the purpose is to attract new customers to bank with them. And it's for the bank to decide what the criteria is and when this must be completed by. Our service doesn't have the power to change that.

It's not in dispute that Ms M opened the First Direct account on 22 May 2024. This meant all the criteria had to be met by 21 June 2024. Ms M says she had to wait for paperwork from First Direct to initiate the switch. And when she did initiate the switch on 5 June 2024, she says First Direct gave her the 20 June 2024 as the switch completion date. And this didn't allow her enough time to complete the switch incentive criteria.

First Direct says that customers don't have to wait for any paperwork to complete the switch or use their new account. It said the switch using the CASS can be applied for at the same time the new account is opened. It has also said that Ms M's debit card was issued on 22 May 2024 and the PIN was sent two days later.

I've thought carefully about this taking into account what both parties have said and any documentary evidence that is available to me. In addition to the switch criteria, the switch advertisement also says: *'switch to us in only 7 working days.... Once your First Direct account is open, simply log into your First Direct app, select the account you wish to transfer*

*into, tap 'switch to us' from your account menu and follow the instructions. We will ask you for your account details, existing account details and your preferred switching date....'.*

Given the above, I'm not persuaded that Ms M was required to wait until she had received any paperwork before she activated the switch. Even if she thought she needed to wait to receive the welcome letter, First Direct has provided evidence to show this was sent by email on 23 May 2024. So, I'm persuaded that Ms M could have initiated the switch sooner than 5 June 2024. Had she done so, I'm persuaded that she would have been able to choose an earlier switch completion date – within 7 days of initiating the switch as set out above. Furthermore, I note Ms M says it was First Direct they provided 20 June 2024 as the switch completion date. However, the above indicates it is the consumer that chooses the preferred date.

In any event, I have seen that Ms M didn't deposit the full £1,000 required until 27 June 2024 – which was over 30 days since the new account had been opened. As Ms M was able to use her new account as soon as it was opened on 22 May 2024, I'm persuaded she had sufficient time to pay in the £1,000 deposit. I appreciate that Ms M doesn't get paid until 27<sup>th</sup> of each month and that she's said she doesn't have £1,000 to deposit apart from her salary. But I think it was for Ms M to open the new account on a date which allowed her salary to be deposited within 30 days. Overall, I haven't seen enough to persuade me that First Direct delayed the account switch which then prevented Ms M from meeting the incentive criteria.

I've gone on to listen to the call Ms M had with First Direct. Having done so, I don't find the staff member to have been rude towards Ms M. The call handler allows Ms M reasonable time to explain her concerns and then goes on to explain the incentive is there to encourage new customers to join First Direct. I appreciate that the staff member did say the payment isn't there *'to provide an income'*, and it is this comment that Ms M says was derogatory. But I'm satisfied that the staff member said this in response to Ms M saying the incentive payment is the sole reason for she switches accounts as she needs the money. Overall, I don't find First Direct's response to be derogatory or inappropriate in the circumstances.

Given all of the above, I don't find that First Direct has treated Ms M unfairly, so I won't be telling it to pay Ms M the incentive payment.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 3 March 2025.

Sandra Greene  
**Ombudsman**