

## **The complaint**

Mr S complains that HSBC UK Bank Plc (“HSBC”) won’t allow him to set up a direct debit from his savings account to pay his credit card.

## **What happened**

Mr S holds both a current account and savings account with HSBC. Mr S wished to set up a direct debit from his savings account to pay his credit card but was told by HSBC this wasn’t possible. Mr S says this means in order to pay his credit card he has to remember to move money from his savings account into his current account resulting in the loss of a few days interest.

Mr S complained about this to HSBC. Unfortunately, Mr S was provided with incorrect information and his complaint wasn’t set up correctly and Mr S had to raise his complaint again. HSBC didn’t uphold Mr S’s complaint regarding setting up direct debits from its savings account as its terms and conditions don’t allow for this. HSBC recorded Mr S’s feedback on the matter and advised it will be considered when making product improvements.

HSBC agreed that its service could’ve been better when Mr S raised his complaint and confirmed feedback had been provided to its agent and their manager.

Mr S was dissatisfied with this and so brought his complaint to this service. He doesn’t understand why other banks allow direct debits from savings accounts but HSBC doesn’t.

Following this HSBC offered Mr S £50 compensation to settle his complaint which Mr S didn’t wish to accept.

One of our investigators looked into Mr S’s concerns but didn’t think HSBC had done anything wrong as it had acted in line with the terms and conditions of his savings account. They thought the £50 compensation for the service received around this was fair for the distress and inconvenience caused.

Mr S disagreed and has asked for an ombudsman’s decision.

## **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.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the bank change its systems or processes – such as what accounts direct debits can be set up on. We offer an informal dispute resolution service and we have no regulatory or disciplinary role. Furthermore, what products or services a business provides and its reasons why is a commercial decision. Just like it is up to Mr S to decide whether to accept the services on offer with HSBC or to take his business elsewhere. Indeed, this is the mechanism Mr S and

other customers have to challenge changes they don't like and encourage competition in the market.

All I can do is to look at problems that Mr S has experienced and see if HSBC has done anything wrong or treated him unfairly. And having considered everything I'm in agreement with our investigator and I don't think there is anything much more of use I can add.

The terms and conditions of Mr S's savings account state:

"With a savings account you can't make payments by debit card, cheque, Direct debit or standing order".

So it is quite clear they don't allow for direct debits payments. I appreciate Mr S is disappointed by this especially as other banking institutions do allow for this and Mr S believes HSBC used to allow for this in the past. But ultimately, HSBC isn't obliged to follow what other banks do or offer this service – this is a commercial decision it is entitled to take.

I accept this it may be inconvenient for Mr S having to transfer money to his current account on a monthly basis if he wants to pay his credit card by direct debit. But I don't think this is a particularly burdensome task or unreasonable. Indeed, that is the function of a current account to deal with the payment of bills, as opposed to a savings account the function of which is to grow your money.

And as HSBC has taken on Mr S's feedback and confirmed it will consider this in the future when making improvements on its products or services, I don't think HSBC has done anything wrong or treated Mr S unfairly.

Finally, HSBC have accepted its service isn't as good as it should've been when dealing with Mr S's complaint and offered him £50 compensation. I think this is fair for the inconvenience caused and so I don't think there is anything further HSBC need to do here.

### **My final decision**

For the reasons I've explained, I think HSBC UK Bank Plc's offer of £50 compensation is fair and I direct it now pay Mr S this in settlement of his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 24 March 2025.

Caroline Davies  
**Ombudsman**