

The complaint

Mr S complains he didn't receive a £175 switch incentive because HSBC UK Bank PLC trading as first direct gave him incorrect information.

What happened

Mr S has an account and a mortgage with a bank who I'll refer to as "N" throughout the rest of this decision. He opened an account with first direct on 24 November 2024 in order to take advantage of a £175 switch incentive first direct was offering at the time.

Mr S says he spoke to first direct on 4 and 6 January 2025 to check that he was on track to receive the switch incentive having completed all the other requirements in order to be eligible. He says he hadn't started the process of switching to first direct as he wanted to make sure his mortgage was paid first but he was told that as long as he started the process of switching to first direct within 45 days he'd qualify. Mr S started the switch process on 6 January 2025. He says the switch wasn't instantaneous and took 14 days to complete, but as he'd started it before 8 January 2025 he understood he'd be getting the incentive. He complained to first direct when he found out that he wasn't going to be getting the incentive.

First direct looked into Mr S's complaint and said that he'd been provided with incorrect information when he called on 6 January 2025 as he had to complete the switch within 45 days of opening his account, not simply start the process. In order to put matters right, first direct ultimately offered him £100 in compensation. Mr S was unhappy with first direct's response saying that in order to put matters right it should pay him the £175 switch incentive. He complained to our service.

One of our investigators looked into Mr S's complaint and said that although one of first direct's agents had given incorrect information on 6 January 2025, he wouldn't have been able to complete the switch in time as a switch normally takes 7 days and his particular switch had to be completed by 8 January 2025. They said that the email he'd been sent when he opened his account with first direct explained that a switch normally takes 7 days, as does first direct's website. So, he ought to have known that it wasn't an instant process. Mr S wasn't happy with our investigator's recommendations and asked for their complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

Mr S called first direct on 25 November 2024, 4 January 2025 and 6 January 2025 about his switch. In other words, that he called shortly after he'd opened his account with first direct – which he did on 24 November 2024 – and shortly before the 45-day period within which the switch had to be done. I've listened to all of those calls. It's clear from the calls that Mr S hadn't considered what switching involves in any detail – he didn't, for example, know that if he fully switched to first direct that this would mean his account with N would be closed. It seems that he was switching simply for the incentive fee – in later calls he tells first direct that this was the case – and wanted to make sure that he satisfied all of first direct's criteria.

I agree with our investigator that the email first direct sent Mr S when he opened his account explained that a switch normally takes 7 days, as does first direct's website. I also, therefore, agree that Mr S should have been aware that a switch doesn't complete instantaneously. And whilst I can see that an agent told him on 6 January 2025 that he should get the incentive as long as he had done everything at his end to initiate the switch – in other words, selected the "switch now" button in the app – that's not what the eligibility criteria say. They say that the switch has to be completed within 45 days. So, it was already too late to complete the switch in time when Mr S spoke to an agent on 6 January 2025.

Given everything I've just said, I agree that first direct should have been thinking about the impact the incorrect information the agent gave on 6 January 2025 had on Mr S when deciding how to put things right. In other words, that it should have been thinking about the impact of the error on Mr S. I accept that Mr S believed he was going to be getting the incentive as a result of what the agent said, but he wasn't going to be able to get it by the time he called as it was too late to complete the switch in time, so I agree that putting things right doesn't mean first direct has to pay him an incentive which he wasn't going to be able to get. I accept too that Mr S must have been disappointed when he discovered that he wasn't going to be getting the incentive as he thought he was. That's the impact on Mr S that first direct needs to put right.

Putting things right

Given everything I've just said, I agree that the £100 first direct has offered fairly resolves this complaint. So, that's the award I'm going to make.

My final decision

HSBC UK Bank PLC trading as first direct has already made an offer to pay £100 to settle this complaint and I think this offer is fair in all the circumstances.

So, my decision is that HSBC UK Bank PLC trading as first direct should pay £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 July 2025.

Nicolas Atkinson
Ombudsman