

## **The complaint**

Mr T complains about the problems he has faced using the credit card which he holds with HSBC UK Bank Plc trading as first direct bank.

## **What happened**

Mr T is unhappy that he wasn't able to use his credit card on at least three occasions. Mr T found it frustrating that he had to contact first direct each time.

Before he came to the Financial Ombudsman Service, first direct apologised for the inconvenience but explained that none of the failed attempts were due to mistakes on its part. First direct paid £50 compensation for not explaining something clearly enough to Mr T but it wasn't willing to offer him any additional compensation.

Mr T wanted first direct to supply evidence of the blocks and pay him more compensation than it has paid so far.

Our investigator didn't uphold Mr T's complaint. In summary, he found that first direct hadn't made a mistake which led to Mr T's credit card being declined. He agreed that it was unfortunate that Mr T had experienced similar issues in quick succession but didn't think this, in of itself, was a reason to ask first direct to pay compensation.

Mr T disagrees with the investigation outcome. He says that first direct has implemented procedures which hinder his ability to use its' services.

## **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.

As our investigator has explained, I can only consider whether first direct treated Mr T fairly and in line with its usual procedures. I can't, for example, decide which processes first direct should follow – that role falls to the regulator, the FCA.

I am sorry to disappoint Mr T but I don't uphold his complaint and will explain why. Mr T complained to first direct in March 2025 after he couldn't make a purchase using his credit card. First direct explained that this was because, at some point in the past, Mr T had entered his PIN incorrectly three times. As Mr T hadn't used the card to make a point of sale transaction using CHIP and PIN since July 2022, it is understandable that he may not recall having locked the card by the time he came to try and use it in 2025. But I don't think this means it didn't happen.

Although it was inconvenient to have a transaction declined, I can't say that this was because of something which first direct got wrong. As Mr T was able to complete the transaction using his digital wallet, I consider the impact of the decline was minimal. So, I don't consider it fair to award compensation to Mr T.

I understand that Mr T's frustration was made worse because he had encountered similar

problems using his credit card earlier in 2025 but for the reasons explained below, I am satisfied these were unrelated to the issue he faced in March 2025.

Based on the information provided by first direct, a transaction was declined in January 2025 because the 3D Secure process had been locked. First direct initially said that historically Mr T had entered the one time passcode (OTP) incorrectly on three occasions. This prevented Mr T from going ahead with the payment in March 2025 until first direct reset 3D Secure. First direct later explained to Mr T that 3D Secure can also be locked if a transaction is abandoned three times – possibly because the OTP took too long to arrive or if Mr T changed his mind at the 3D Secure stage.

I appreciate Mr T would like further evidence of why 3D Secure was locked but first direct explains that it only holds 3D Secure information for the last three months so cannot point to specific historic instances. I consider first direct has given Mr T a reasonable explanation of what is most likely to have happened to prevent him from using the card to make the purchase. Once first direct reset the lock, Mr T successfully received the OTP and was able to complete the transaction. So, I don't require it to take further action in response to this aspect of Mr T's complaint.

The second transaction - again in January 2025 - was declined because first direct conducted a fraud check. These checks can sometimes lead to delays and inconvenience, but they are there to protect customers. Just because Mr T had correctly entered the OTP on this occasion, doesn't mean that first direct was wrong to hold the transaction for checks – as it is allowed to do under the terms of his account. Once first direct was able to confirm the transaction was genuine, it released the payment as I would have expected.

I appreciate first direct paid Mr T £50 compensation after he complained about the first declined transaction in January 2025 but this wasn't because it agreed it had made a mistake. Rather, it paid compensation to apologise for not initially explaining that abandoning a transaction after requesting the OTP could have also counted towards the three cumulative attempts which then locked 3D Secure.

As I don't find that first direct made mistakes which caused Mr T's payment attempts to fail, I don't require it to pay additional compensation. I am sorry that this is likely to disappoint him.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 1 August 2025.

Gemma Bowen  
**Ombudsman**