

The complaint

P complains that HSBC UK Bank Plc trading as first direct took a mortgage interest payment earlier than expected. P says it then gave incorrect information about whether this could be reversed.

P asks for further compensation.

What happened

P has a mortgage with first direct. P says first direct took an interest payment on 1 January 2025. P expected the payment to be taken on 15 January 2025.

P called first direct on 2 January 2025. first direct agreed to change the payment date for the payment due in February 2025. It said it couldn't reverse the payment taken on 1 January 2025.

first direct called P on 3 January 2025. It said it would reverse the payment and set up a new payment for 15 January 2025. first direct told P it should have offered this the previous day.

first direct said it didn't make an error when it took the payment on 1 January 2025. But it should have offered to reverse the payment when P called on 2 January 2025. first direct said it understood P's frustration that the mortgage team were not available on 30 and 31 December 2024. first direct apologised and paid £150.

Our investigator said first direct had done enough to put things right.

P didn't agree. In summary P said there was an arrangement in place with first direct for the payment to be taken on 15 January 2025. By unexpectedly taking the payment on 1 January 2025 first direct put P in a difficult position. P had to find a way to put the current account into credit.

P told us about historical and more recent difficulties, health issues, family relationships and the worry of losing the house. P said the holiday period should be a relaxing time with family. P was spending time with family when this happened, but had to leave to sort things out. P missed an important family outing. P's family made assumptions about responsibility for the error that meant losing their support. As a result, P hasn't been able to spend time with family since.

P was able to borrow from friends, but this needs to be paid back. P says an apology isn't enough for the effect this has had.

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 must first be clear about the complaint I'm looking into. That is, P's complaint that first direct took a mortgage interest payment on 1 January 2025, and incorrectly told P on 2 January

2025 that the payment couldn't be reversed.

P's mortgage had been in arrears and payments had been frozen. P agreed to clear the arrears in late 2024. first direct told P in early December 2024 that mortgage interest payments would restart from 1 January 2025. It gave P the approximate amount of the interest payment and said this would be taken as an interest divert.

When it set up the payment on 1 January 2025 first direct didn't know this would be a problem or that P wanted payments to be taken on the 15th of each month. I haven't seen evidence that first direct should have known this before 30 December 2024.

P called first direct on 30 December 2024 to check what date the interest payment had been set up for. The call handler couldn't see the payment on the system. That's because the payment wasn't set up as a standing order or direct debit. Only the mortgage team could provide this information. The mortgage team were not available. first direct said the mortgage team would be open from 8am to 8pm the next day. It was left that P would call the next morning.

P called on 31 December 2024 but wasn't able to speak to the mortgage team. They had revised opening hours due to it being New Year's Eve, and P called after they'd closed. first direct is entitled to make a business decision about its opening hours over the holiday period. But it should have told P on 30 December 2024 that the mortgage team would only be available until 4pm on 31 December 2024.

The interest payment was taken from P's current account on 1 January 2025.

P called first direct on 2 January 2025. first direct said it would arrange for the payment due in February to be taken on 15 February 2025. It didn't offer to reverse the payment taken on 1 January 2025.

P paid money (which had been borrowed from friends) into the current account on 3 January 2025 to cover the interest payment.

On 3 January 2025 first direct told P it would reverse the payment.

If first direct had given P correct information about when its mortgage team was available P might have spoken to them on 31 December 2024. It might have been possible for first direct to arrange for the payment to be taken on 15 January 2025, rather than 1 January 2025.

If first direct had told P on 2 January 2025 it would reverse the payment P wouldn't have had to worry about the matter for another day. P might not have needed to borrow from friends to cover the payment.

I won't set out in detail what P has told us, as this decision will be published. I would like to say I'm sorry for the difficulties P has to deal with. I've thought carefully about whether the compensation paid by first direct is fair for the effect this matter has had. I appreciate that P might disagree. But I can't fairly find that first direct's error with the interest payment is responsible for these problems. P told us about historical issues and a recent diagnosis of a long-standing condition. I don't think, on balance, I can fairly find that first direct's error is responsible for problems with P's family relationships.

I do think though that first direct's error added to the problems P has to deal with. This was at a time when P wanted to relax with family. I must fairly take into account that first direct took prompt steps to correct the error, by reversing the payment on 3 January 2025.

I think for the additional worry and inconvenience caused by first direct's error, an apology and £150 compensation is fair and reasonable in the circumstances.

My final decision

My decision is that I do not uphold this complaint. That's because I think the steps taken and compensation paid by HSBC UK Bank Plc trading as first direct is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 29 August 2025.

Ruth Stevenson
Ombudsman