

The complaint

Mr H complains that HSBC UK Bank Plc, trading as first direct, restricted his account.

What happened

Mr H had an account with first direct. In 2025, first direct restricted the account. It told Mr H it thought he'd fallen victim to a scam. Mr H doesn't think it's any of first direct's business what he spends his money on. He also says the restrictions meant he couldn't renew his home and contents insurance, or make other transactions, without first asking first direct to lift the restrictions on the account. Dissatisfied with all of this, Mr H complained to first direct and referred the complaint to us.

Our investigator looked at the complaint, and didn't think it should be upheld. Mr H doesn't agree. The complaint has been referred 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.

I don't uphold the complaint. I'll explain why.

In line with good industry practice, first direct is allowed to take reasonable steps to protect its customers from foreseeable harm. The terms and conditions that apply to Mr H's account list circumstances in which first direct can refuse to make payments. This includes where it believes there's been fraudulent or criminal activity and it would be reasonable for them not to make a payment. The Payment Services Regulations 2017 allows first direct to delay or block payments where they've been placed subsequent to fraud and dishonesty by someone other than the payer. And first direct is part of the "banking protocol" which allows staff to contact police where they have concerns that a customer is the victim of fraud.

The terms and conditions, and first direct's wider legal and regulatory obligations, also allow first direct to carry out reviews and ask Mr H for information about payments to and from the account. Where Mr H doesn't provide this information or first direct suspects fraudulent or criminal activity, it might decide to block the account.

Based on what I've seen, beginning in June 2025 Mr H made a series of payments to a merchant categorised as an online dating or escort service. He made six payments totalling £803.94. first direct contacted Mr H to discuss some of these payments. At first, Mr H said he was using the site to contact an old friend he hadn't seen in a while. During a later conversation he gave a different explanation: he told first direct he'd learned that a relative who'd gone missing had a profile on the site and he was paying to get information about them. first direct decided to restrict Mr H's card, which meant he'd need to contact them if he wanted to make payments. Mr H decided to close the account – opening an account with another business through the current account switching service.

Based on what I've seen, I'm satisfied that the terms and conditions allowed first direct to

question Mr H about the activity on his account. And given his explanation of these payments – which appears to be at odds with the nature of the merchant’s business – I can’t say first direct were wrong to have decided to place restrictions on his card or to involve the police. I’m mindful in particular that Mr H gave first direct different explanations about why he was using the service. I appreciate that Mr H thinks what he does with his money is none of first direct’s business. Nevertheless, I’m satisfied that the terms and conditions allowed first direct to intervene in these circumstances – and Mr H chose to end conversations rather than engage with first direct’s questions. Mr H says that as a result he closed his account and had to arrange for his pension to be moved elsewhere. But that’s something Mr H chose to do – and isn’t something I’m going to compensate him for.

My final decision

I don’t uphold the complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 5 March 2026.

Rebecca Hardman
Ombudsman