

The complaint

Mr and Mrs R complain that HSBC UK Bank Plc trading as First Direct ('First Direct') provided them with misinformation about actions Mr and Mrs R needed to take, and about its communication with them.

For ease, I will refer to all actions and comments as those of Mr R.

What happened

The details of this complaint are well known to both parties, so I will just provide a brief overview of events here.

Mr and Mrs R have a joint account with First Direct. In June 2025, Mr R contacted First Direct using its chat service to let it know Mrs R would be making a large debit card purchase later that week. Mr R said he was on the chat for over 20 minutes before being told by First Direct that Mrs R would need to phone it. So Mrs R phoned but was told it was not, in fact, necessary for her to have called. So Mr R complained.

Several days later, Mr R unexpectedly received a call from First Direct and was unsure whether it was genuine. So he declined to answer security questions. The agent told Mr R this could mean enhanced security checks would need to be carried out the next time he phoned, and the call ended.

Mr R used First Direct's chat service on the same day to check if the call was genuine. He was told by two agents that no one from First Direct had tried to call him.

First Direct responded to Mr R's complaint and mentioned that the call had been made by one of its agents. With regard to his earlier contact about the debit card purchase, it said there were times when it needed to speak to the card holder about a large purchase. It acknowledged, however, that it wasn't necessary on that occasion. It offered Mr R £25 compensation.

Mr R then complained about being told twice that the call he received wasn't genuine, when it was. He thought the agent he spoke to was odd and threatening.

So First Direct provided a second complaint response. It said it listened to the call in question and didn't find the agent's tone or approach threatening. It explained that if security has begun but was not completed, then its processes mean additional security checks would need to be completed the next time contact was made. It acknowledged that two of its agents said First Direct hadn't made the call, when it had.

Mr R remained unhappy and so complained to this Service. He said he was concerned about First Direct's aggressive approach to asking for security information on the phone call, given the rise in financial fraud. He said this matter wasted many hours of his time.

When our Investigator contacted First Direct, it offered an additional £100 compensation, bringing the total to £125. Our Investigator relayed this to Mr R, but he declined the offer.

Our Investigator then looked into the complaint and said the £125 compensation was fair in the circumstances.

Mr R disagreed with the outcome and so this came to me for a decision. I issued a provisional decision on 28 August 2025 and told both parties that I intended to come to the same conclusion as our Investigator, but would provide additional reasoning. I gave both parties the opportunity to respond.

Mr R responded and, in summary, said the worst part of this experience for him was the worry it caused. He and Mrs R feared the car sale would fall through. I appreciate Mr R taking the time to respond to the provisional decision and I want to assure him that I have considered everything said by him.

First Direct did not respond.

I am now in a position to issue a final 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.

Although First Direct does not agree that errors were made by it in relation to all complaint points raised by Mr R, it has acknowledged that errors were made in terms of incorrect information being communicated to Mr R. It has said it should not have told Mr R that Mrs R needed to phone it about the large payment she intended to make. It also said two of its agents provided Mr R with incorrect information about the unexpected phone call made by a First Direct agent. So it has offered a total of £125 compensation by way of an apology.

It's important to note that it is not within this Service's remit to punish businesses for making errors. Our focus is on looking at whether errors were made, and if they were, considering the impact any errors might have had on the consumer. So we would look at whether, for instance, there was any financial detriment or whether the errors caused any avoidable distress and inconvenience.

So the question I am looking at here is whether or not the £125 already offered is fair compensation, given the particular circumstances of this complaint. And I'm satisfied it is. I'll explain why I say that.

Mr R felt that the call made by the First Direct agent to him was threatening, in relation to tone and approach. I have listened to the call and I can understand why Mr R took a cautious approach to the security questions asked, given that he hadn't expected First Direct to call him. But I don't think the agent's tone or approach was what I would consider to be threatening. I'm satisfied he was polite and professional throughout the call. I know that Mr R found the agent's statement about enhanced security checks later, if security wasn't completed on the call, somewhat threatening. But I think it's fair to say the agent was simply letting Mr R know what First Direct's policy was in relation to security checks. So I don't think any errors were made by the agent during the call in question.

I'm satisfied that the errors made by First Direct are about misinformation provided to Mr and Mrs R. Namely, it said Mrs R should phone it when that wasn't necessary and Mr R was incorrectly told twice that the call from the First Direct agent hadn't, in fact, been made by it.

So I've considered the impact on Mr and Mrs R, in terms of whether any distress or inconvenience was caused.

It was Mr R who opted to contact First Direct about the large purchase his wife was due to make, so although he was unhappy about the length of time spent on the chat, I can't see that any compensation is necessary for this. But I think it is clear that misinformation was provided during the call, which caused inconvenience to Mrs R, given that she had to make an unnecessary phone call.

I also think it's clear that if First Direct had told Mr R, as it should have done, that the phone call to Mr R was made by its agent, then he would have been spared any distress in relation to wondering whether the call had been fraudulent. I can also understand how Mr R would have felt frustrated at discovering at a later point that the call had, in fact, been genuine.

While I recognise that some distress and inconvenience was caused to both Mr and Mrs R, I'm satisfied that the £125 compensation already offered reflects the amount of distress and inconvenience caused to them and is fair in the circumstances.

My final decision

I direct HSBC UK Bank plc trading as first direct to pay a total of £125 compensation to Mr and Mrs R.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 10 October 2025.

Martina Ryan
Ombudsman