

The complaint

Mr M has complained about what happened when a payment he was making from his HSBC UK Bank Plc trading as first direct account was stopped for a fraud check. He's said he believed the payment had been released but he later found out it hadn't, which means the money didn't reach his pension before the end of the tax year.

What happened

On 31 March 2025 Mr M made a payment of £25,000 online from his first direct account to his workplace pension.

The payment was blocked for a fraud check and Mr M was sent a text message asking him to get in contact with first direct about it.

He called first direct that evening and that's where things went wrong. Mr M ended the call early, saying he thought the call handler had told him the payment had been released, whereas first direct say the call handler needed to transfer Mr M to another team to do that which they were about to do when Mr M ended the call. It said the call centre take incoming calls only so as soon as Mr M ended the call, another call would have come in so the call handler couldn't call Mr M back.

Mr M then contacted first direct on 9 April to raise a complaint as the payment hadn't been made before the end of the tax year so, he said, he would incur a higher tax bill.

In its first response to the complaint, first direct offered £50 compensation for the call being muffled. In its second response to the complaint, it increased that offer to £200 compensation as it didn't agree with the first outcome it had reached and so offered that for how the complaint had been handled. It didn't uphold the main thrust of the complaint as it said the call handler had told Mr M that they needed to transfer him to another team. Mr M didn't accept the offers of compensation and referred the complaint to our service.

Our Investigator didn't uphold the complaint. They said that while the hand over dialogue wasn't clear on the next steps, the call handler did say they would need to transfer Mr M to the fraud team. They said the call handler couldn't call Mr M back, and there was no indication in the call of any misunderstanding. They said, given the difficulties in making the payment, Mr M had time to clarify it had been made and they felt the offer of £200 was fair compensation.

Mr M didn't agree and asked that it be passed to an Ombudsman 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'm conscious I've condensed the events of the complaint into rather less detail than the parties have presented them. I recognise that Mr M feels very strongly about this, and I

thank him for the thoroughness of his submissions. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome

In his complaint letter of 25 April 2025 Mr M said:

"I called approximately 18:30 and spoke to a representative who walked me through an extensive authorisation process. He asked me about the payment in detail and I explained the payment was genuine, that the recipient was my employers pension scheme and it was important to ensure it was transferred prior to the end of the tax year otherwise I would be liable for a significant income tax bill. He said he understood the importance of the payment and he said he could help me with this. It was my understanding that he then actioned this for me. He asked if he could help me with anything else before wishing me a good evening and saying goodbye."

But having listened to the call that isn't what happened. The call was very short at just under one and a half minutes long, there was no extensive authorisation process and there was no mention by Mr M about what the payment was for and the importance of it, nor did the call handler say they understood and could help him with it. The call handler also didn't ask if there was anything else they could help with or wish him a good evening.

Instead, the call handler asked for Mr M's postcode and name, which Mr M provided. The call handler then asked if it was the payment of £25,000 and Mr M confirmed it was. The call handler said if that was a genuine payment then he'll just send Mr M to the team who sent him the fraud alert, Mr M should tell them it's genuine and they'll release it for him. The call handler then said bye.

It is unfortunate Mr M didn't clarify things on the phone if he felt it was garbled and unclear as he has now said. And it isn't just about the words said, it is the tone of voice used too. There was a pause after the call handler said he'll send Mr M to the team who sent him the fraud alert. After the brief pause he said "Just tell them it's genuine and they'll release it for you" with the call handler placing an emphasis on the word "them", which I think is clear that Mr M needs to tell "them" what he had just told this call handler, which is that the payment is genuine.

Mr M has said the call handler should have picked up on him saying "fantastic, brilliant" as that is an odd response to being told you're being transferred. But I don't agree. Upon listening to the call, the phrase doesn't seem out of place with the way the parties were speaking, even in the context of Mr M being told he would be transferred to another team. That call handler had identified the payment in question and told Mr M that it could be released once Mr M told the other team it was genuine, it is understandable that Mr M would be happy with that outcome even if he did have to speak to someone else first. It may have been an odd response if someone was unhappy about something and was being transferred from person to person, but that isn't the context here.

Having listened to the call there's nothing to indicate that Mr M didn't understand the call handler was going to transfer him to another team and until that was done the money wouldn't be released, so I don't think the call handler did anything wrong in not clarifying Mr M's understanding with him.

Mr M has also mentioned that we can listen to the call multiple times, whereas he was in the moment. I completely understand his concerns here as it is very easy to listen to something repeatedly to pick it apart, an opportunity you don't have whilst actually on the call. But I can reassure him I listened to the call just once initially, so I could replicate Mr M's situation when

it happened. I have subsequently listened to the call more times just to reassure myself that I've not erred here, but my outcome in terms of what was said and how the conversation went was reached upon that first listen without the benefit of hearing it multiple times.

I must also keep in mind that this payment was important to Mr M, and he knew it had been blocked. The call in question happened on Monday 31 March, with the tax year ending on Saturday 5 April. So, Mr M had all week to check the payment had gone through. Looking at the balance of Mr M's account, it would have been apparent, just looking at the balance, that the payment was still in his account as if the payment had gone the balance would have been between around £1,300 and £2,400, whereas it was between around £26,300 and £27,400. First direct has provided its security log which indicates Mr M logged on using face ID on his phone on 1 April, 3 April, 4 April and 5 April 2025. If he'd looked at the balance of his account on any of those occasions it should have been clear that the payment hadn't been sent. However, even if Mr M hadn't logged on at all in the period between 31 March and 5 April it wouldn't change the outcome to this complaint as I'm satisfied the call handler said Mr M needed to be transferred to another team, and Mr M also had time to check his account to potentially mitigate his losses.

Having considered everything I'm satisfied that the £200 compensation already offered by first direct is fair. It has accepted it didn't handle the complaint as well as it could have done, and that seems reasonable compensation for that issue. I'm satisfied first direct wasn't at fault for the payment not being released in the call on 31 March – and I'm satisfied Mr M didn't mitigate his position when he had the opportunity to do so by checking the payment had gone through - so I'm not awarding Mr M anything relating to the losses he says he incurred.

My final decision

HSBC UK Bank Plc trading as first direct has already made an offer to pay £200 to settle the 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 £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 January 2026.

Julia Meadows
Ombudsman