

## The complaint

Ms F is unhappy with several aspects of the service she's received from HSBC UK Bank Plc, trading as first direct ("FD").

## What happened

Ms F has a cognitive disability which she had previously made FD aware of. On 9 May 2025, Ms F sent an email to FD asking if they would reduce the amount of interest payable on two outstanding personal loans that she had with them. A few days later, on 13 May, Ms F received a phone call from FD who asked her a series of what Ms F felt were intrusive questions about her personal and financial position.

Ms F wasn't happy about this, or that FD didn't end the call when she told them that she didn't want to continue with it and refused her request for all future communication to be in written form. So, she raised a complaint. FD responded to Ms F but didn't feel that their agent had done anything wrong in how they'd handled the call. Ms F didn't agree, so she referred her complaint to this service.

One of our investigators looked at this complaint. They felt that while FD had handled the call in a generally professional and courteous way, they should have acknowledged Ms F's dissatisfaction with the call and accepted her request to conduct all future correspondence in writing. Our investigator also felt that FD hadn't responded in writing to Ms F's request to reduce the interest on her loans or her request for loan settlement figures, as they reasonably should have.

As a result, our investigator recommended that this complaint be upheld in Ms F's favour, that FD should provide the written responses to Ms F's requests, and that FD should pay £150 to Ms F for the poor service she'd received. Ms F didn't accept the view of this complaint put forward by our investigator, so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 18 December 2025 as follows:

*I note that Ms F has provided several detailed submissions to this service regarding her complaint. I'd like to thank Ms F for these submissions, and I hope that she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.*

*This means that if Ms F notes that I haven't addressed a specific point that she's raised, it shouldn't be taken from this that I haven't considered that point. I can confirm that I've read and considered all the submissions provided by both Ms F and FD. Accordingly, I confirm*

*that if Ms F notes that I haven't responded to a specific point she's raised, I have considered that point, but I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.*

*Ms F previously referred an earlier complaint to this service, upon which a final decision was issued by one of my ombudsman colleagues in May 2025. The points of complaint considered under that earlier complaint were whether FD had provided the personal loans to Ms F irresponsibly and whether FD should have identified Ms F as a vulnerable customer before they did. My colleague ombudsman did not uphold either of these points of complaint. And given that my colleague ombudsman has issued a final decision, I am unable to consider these points of complaint further.*

*Ms F has explained that she feels that this later complaint, and the earlier complaint, are linked. I don't share Ms F's position on this matter, and I feel that all aspects of Ms F's dissatisfaction that are being considered within this complaint can be considered separately to, and in isolation of, the earlier complaint.*

*It also must be noted that this service can only consider points of complaint that have been previously referred to the respondent business, such that the business has had a formal opportunity to consider and respond to those points. This means that in this instance I can only consider points of complaint that Ms F referred to FD when she raised this later complaint with them, which she did in writing on 13 May, after speaking with FD on the telephone earlier that day. Having reviewed Ms F's complaint submission to FD, I consider these points of complaint to be as follows:*

- *Ms F is unhappy with the conduct of the FD staff member that conducted the 13 May telephone call, including:*
  - *That she made it clear that her disability and mental health conditions make it difficult for her to communicate by telephone and that she wanted to communicate by email instead.*
  - *That she was asked personal and intrusive questions, including about her family members and past relationship, and felt that she was being interrogated.*
  - *That it wasn't explained to her why that level of questioning was necessary.*
  - *That when she said that she didn't want to answer specific questions, FD's agent persistently re-asked them.*
  - *That she was repeatedly encouraged by FD to contact debt charities, despite explaining to FD that she had already done so and that the only solutions suggested by the debt charities (bankruptcy or extending the loan term) were not suitable for her.*
  - *That the call was unnecessary because she had previously provided FD with a written description of her condition and needs.*
  - *That FD's agent didn't clearly explain the purpose of the call or the department from which she was calling.*
  - *That she wasn't allowed to end the call.*
- *Ms F is unhappy that FD didn't respond to her request to reduce the interest that would be payable on her loans.*
- *Ms F is unhappy that FD didn't respond to her request for loan settlement figures.*
- *Ms F is unhappy that the fact that she could reduce the overall amount of interest payable on the loan if she settled the loan early was not made clear or explained to her.*

*Ms F also raised some further points of complaint with FD that are of a legal or regulatory nature. For instance, Ms F has said that she feels that FD didn't act in accordance with the*

*Equality Act 2010 in how they treated her in consideration of her disability and trauma-related conditions. Additionally, Ms F felt that FD hadn't acted in accordance with regulation regarding how they had handled her personal data.*

*This service isn't a regulatory body, or a Court of Law. This means that I have neither the remit nor the authority to decide whether FD have acted in accordance with law and regulation or not – such matters would be for a Court of Law or a regulatory body to decide. Instead, this service is an informal, impartial dispute resolution service, with a remit focussed on fairness of outcome. As such, while I have taken relevant law and regulation into consideration when assessing this complaint, I've done so only from a fairness-of-outcome perspective, in line with my remit and authority.*

*While I can, and will, assess whether I feel that FD have treated Ms F fairly regarding the points of complaint referred to above, if Ms F wants a decision that FD have acted unlawfully, in regard to the Equality Act 2010, she would need to obtain such a decision via a Court of Law. Similarly, if Ms F feels that FD haven't handled her personal data in accordance with regulation, she would need to raise this aspect of her complaint with the Information Commissioner's Office ("ICO"), who are the relevant regulatory body for such complaints.*

*As part of my assessment of this complaint, I've listened to a recording of the phone call that took place on 13 May. One of Ms F's complaint points was that FD's agent didn't explain what department she was speaking with or what the purpose of the call was. However, at the start of that call, FD's agent identified themselves as being a member of the Customer Care team and explained as follows:*

*"You've been passed through to the Customer Care team just to have a chat with you about how you're feeling overall about your finances."*

*FD's agent then further explained:*

*"So, our role within Customer Care is to look after our vulnerable customers, and you have been open and honest with us in your communications in saying that you do have vulnerabilities yourself. We just wanted to have a chat with you to get an understanding of what those vulnerabilities are and to see if there's anything we could do to assist and support you moving forwards with your day-to-day banking."*

*Given the above, I feel that FD's agent did explain to Ms F what department Ms F was speaking with and why that department wanted to speak with her.*

*FD's agent then asked Ms F what impact her vulnerabilities have on her on a day-to-day basis. In response, Ms F explained that she had been financially controlled by her ex-partner and that she struggled to understand financial matters, including these loans. Specifically, Ms F noted that she didn't realise just how much interest she would have to pay over the full term of the loan, how long the term of the loan was, and how much she'd have to pay each month.*

*Ms F also described her medical conditions to FD's agent and commented on how she feels that working is detrimental to her health but that she can't afford to not work because of the ongoing payments for the two FD loans. Ms F also noted that she is 'worried sick of defaulting'.*

*Finally, Ms F explained that she has never said that she doesn't want to repay the capital balance, but that she just wants to reduce the amount of interest, and she explained that a family member has said that they would pay the loans off for her and that Ms F could repay*

that family member informally over a longer period than the current loan terms.

In response, FD's agent explained that in regard to how FD could support Ms F financially, moving forwards, would be handled by a different team. This is in alignment with the earlier explanation provided by FD's agent that the purpose of this call was to understand Ms F's vulnerabilities and to discuss whether any reasonable adjustments needed to be made by FD for Ms F.

FD's agent then asked Ms F what her job was and noted that she was in receipt of Personal Independence Payment and asked if that was connected to Ms F's mobility. Ms F confirmed that it was, and FD's agent asked how Ms F's mobility was impacted by her health conditions.

Ms F then gave a detailed explanation of the genetic condition that she suffers with and how it impacts her. FD's agent asked Ms F to spell the genetic condition, as they were clearly unfamiliar with it, and asked Ms F some further questions about it. However, after spending some time on this matter, and asking Ms F several questions about it, FD's agent then said that this information wouldn't be noted down and that she was asking Ms F just to get a general idea of how she was being impacted.

I find the approach taken by FD's agent here to be somewhat concerning. I say this because Ms F had provided important information about her medical condition and how it affected her. What I would reasonably have expected here would have been that FD's agent would have asked Ms F's permission to note that information down so that future agents which dealt with Ms F or her accounts would have a better understanding of Ms F. And if FD's agent had no intention of doing so, I don't feel that asking such probing and personal questions of Ms F was reasonably justified.

FD's agent then asked Ms F how she accessed her FD accounts. Ms F explained that she used the mobile banking app, although she noted that she struggled to understand the online banking website. In response, FD's agent asked Ms F if she struggled to navigate the mobile banking app, and Ms F explained that she had step-by-step instructions written down for paying her rent, and that she didn't really use the app for anything else.

Following this, FD's agent asked Ms F if, from a communication perspective, there was anything preventing Ms F from communicating with FD by phone. Ms F answered that question by explaining that she doesn't really like speaking on the phone.

Listening to the call, I feel that Ms F wanted to expand on that point. However, FD's agent interrupted Ms F and said that Ms F not liking to speak on the phone was a personal choice on Ms F's behalf but that she could call FD. This was a statement from FD's agent, rather than being posed as a question, as I feel it reasonably should have been. Indeed, given what Ms F had explained previously about her medical conditions and health, and her recent history, I feel that FD's agent should have taken time and care to explore Ms F's response, rather than speaking over it and dismissing it.

This leads me to a more general point that doesn't come across naturally in a written explanation of the call. Ms F's demeanour on the call was quite subdued. This is understandable to me, given her recent history, the physical and mental health issues she'd described, and the difficult financial and personal situation she found herself in.

However, I don't feel that FD's agent was reasonably understanding or conscious of this point. And when Ms F responded to being overruled by FD's agent regarding her discomfort with phone calls with a quiet 'yes', I take this as being an instance of Ms F drawing back from any conflict within the conversation, rather than it being a true and accurate answer.

*Unfortunately, this lack of empathetic understanding on the part of FD's agent had an adverse effect on the general quality of this call.*

*That isn't to say that FD's agent wasn't trying to be empathetic towards Ms F. For instance, the agent then moved on and explained that they didn't want to bring up the matter of Ms F's past financial abuse at the hands of her ex-partner, because they were concerned that it would be upsetting for Ms F, but said that they did need to ask Ms F about it and asked her if she had received support at that time, to which Ms F confirmed that she had.*

*FD's agent then asked Ms F how long she had been separated from the ex-partner. Ms F paused in her reply and noted that she struggled with number and dates before saying that it was about eighteen months ago. FD's agent asked Ms F how she was feeling in herself now regarding that, and whether she was in a stronger place mentally.*

*It's not clear to me exactly why FD's agent asked these questions of Ms F or did so in the convoluted way that they did, which caused Ms F to revisit a topic that she was clearly uncomfortable with. And if it was the case that FD's agent was trying to confirm that Ms F was no longer being financially abused and to understand how recently the past abuse had happened, I feel that they could reasonably have done so more tactfully and more succinctly, although I acknowledge that navigating such potentially emotive issues can also be tricky for the party who has to ask the questions.*

*Somewhat strangely, after previously explained to Ms F that her request for financial support would be assessed by a different team, FD's agent then asked Ms F if there was anything that she wanted FD to do to financially support her. In response, Ms F explained that she wanted to pay the loans off now, hopefully with reduced interest, and stated that she just wanted these loans to be over.*

*This was the second time in the call that Ms F had mentioned that she wanted to settle the loans early, and I feel that it should reasonably have been clear to FD's agent that Ms F wanted a settlement figure for both loans. However, FD's agent asked Ms F about other debt she might have with other creditors and gave a lengthy explanation of how debt charities might be of use to Ms F. In response, Ms F explained that if she paid token payments, she'd be repaying the loan for decades and that she couldn't live with the loans for that long.*

*Ms F then explained for a third time that she wanted to repay the loans in full, with the help of a family member who was willing to assist her. At that point, FD's agent asked if Ms F wanted settlement figures, to which Ms F replied that she did, but noted that it was her understanding that even if she settled the loans early, she would still have to pay the full interest for the whole of the loan. Ms F says that she got this understanding from the loan documents themselves, and she'd previously challenged that point with FD.*

*In response, FD's agent said that they didn't feel that was the case and that Ms F wouldn't pay the full interest amount if she settled the loans early. FD's agent then placed Ms F on hold and came back and gave her settlement figures for both loans that confirmed this fact, and which were valid until June 10 – although it's clear that Ms F didn't write these figures down and FD's agent didn't offer to repeat them or send them to Ms F via email.*

*FD's agent then asks Ms F which family members will give her the money to repay the loans, to which Ms F replies that she doesn't want to disclose that information. FD's agent asks if its family rather than friends, to which Ms F confirms it is, and FD's agent asks if Ms F is comfortable that they won't pressure her to pay this money back, which Ms F confirms that they wouldn't. This seems reasonable to me, and I can understand why FD's agent would want to confirm that point, given Ms F's recent history.*

*FD's agent then summarises and says that in terms of day-to-day banking there doesn't seem to be anything that FD need to do and that Ms F can access her accounts without issue, and that Ms F intends to settle the loans with money borrowed from family. Ms F agrees to this summary.*

*FD's agent then revisits the matter of who Ms F will borrow the money to settle the loans from and asks how much Ms F intends to pay her family member back each month. FD's agent explains that they've asked this because they don't want to put Ms F back into a financial abuse situation. In response, Ms F confirms that they wouldn't be borrowing from a partner and that it would be from immediate family. And again, I can appreciate why FD's agent would want to revisit this issue and confirm this point.*

*But FD's agent then continues to press Ms F to reveal whether it's her parents she would borrow from. This continued probing seems unreasonable and unnecessary to me. Ms F had already confirmed that she wouldn't be borrowing from a partner and that it would be an immediate family member that would help her, who she was confident wouldn't pressure her into repaying the money quickly. Unfortunately, this unnecessary pressing by FD's agent leads Ms F to explain that one of her parents is dead and that she's estranged from the other.*

*That Ms F had to disclose this information is clearly distressing to her, even given the generally subdued nature of Ms F's responses during this conversation. But this doesn't appear to have been apparent to FD's agent, who despite Ms F's obvious distress continues to press Ms F to disclose exactly who would be lending her the money. Ms F reiterates that it would be from immediate family, clearly not wanting to give any further information. And while FD's agent did then drop the matter, I feel that they did treat Ms F unfairly and unreasonably by unnecessarily pursuing this matter as long as they did.*

*The call then continues with FD's agent explained to Ms F that they will put her through to the finance team who could give her settlement figures for her loans, and they then ask Ms F if she would like a call back from the Customer Care team next week. Ms F declines the offer and says again that she isn't comfortable speaking on the phone as she finds phone calls quite stressful.*

*Ms F then asks FD's agent if FD will respond to the email she sent to them on 9 May. In response to this question, FD's agent mistakenly says that it isn't the case that Ms F wants loan settlement figures – which she clearly did want – but instead wants a response to the 9 May email. I'm not sure why FD's agent felt this was an either/or situation, when it seems clear and apparent from the call that Ms F wanted loan settlement figures and a reply to her 9 May email.*

*FD's agent then asks if Ms F is okay to hold while they have a look at the 9 May email. In response, Ms F says that she's exhausted. FD's agent then says that they'll end the call and offers to call Ms F back to continue the call tomorrow. Ms F then asks for a response by email if possible, but FD's agent says that they wouldn't respond by email and says that they know that Ms F isn't comfortable on the phone, so they'll try to call Ms F back herself tomorrow. The call then ends.*

*My overall feeling about this call was that it was less than ideal. Some of Ms F's complaint points were that she was asked personal and intrusive questions and that it wasn't explained to her exactly why that level of questioning was necessary. I'm broadly in agreement with Ms F on these points, and I say this because while the agent did give a general explanation of what FD wanted to achieve on the call, that explanation was rather vague, and it's unclear how some sections of the call – such as asking Ms F about medical information that wasn't*

then noted down, or unnecessarily pressing on which family member would lend her money – went towards satisfying the objective of the call.

Another of Ms F's complaint points is that she made it clear to FD's agent that her disability and mental health conditions make it difficult for her to communicate by telephone and that she wanted to communicate by email instead. I feel that this complaint point has merit also, because I do feel that FD's agent should have listened more effectively to Ms F when she said that she didn't like phone calls and should have asked her about why she found them to be uncomfortable.

Ms F has also said that she wasn't allowed to end the call. But while Ms F did say relatively early in the call that she found phone calls to be uncomfortable, I don't feel this constituted an attempt by her to end the call. And when Ms F did tell FD's agent that she was exhausted, the agent did then end the call shortly afterwards.

The final dissatisfaction Ms F had with the call was that it was unnecessary, because she had previously provided FD with a written description of her condition and needs. FD don't appear to have a record of such a written description, and notably Ms F didn't mention it or refer to it in the call. As such, I don't feel that FD acted unfairly towards Ms F by making the call to her, but I do feel that they acted unfairly to her in how they handled the call, for the reasons explained above.

Turning to Ms F's more general points of complaint, Ms F is unhappy that the fact that she could reduce the overall amount of interest payable on the loan if she settled the loan early was not made clear or explained to her. It's not clear why or how Ms F developed the understanding that early settlement wouldn't reduce the overall amount of interest she would have to pay. However, I've reviewed the loan terms, and while the terms surrounding early payment aren't particularly clear, they do confirm that early settlement will, in most instances, result in less interest being paid than if monthly loan payments are maintained for the full loan term.

Ms F is also unhappy that FD didn't respond to her request to reduce the interest that would be payable on her loans or for loan settlement figures. Given the call that took place, as I've outlined it above, I feel that these are essentially the same point. Ms F wanted to settle the loans early, which would have the effect of reducing the overall amount of interest that she would pay. But I am in agreement that FD haven't provided loan settlement figures to Ms F as they should have done in response to the 9 May email and the 13 May phone call.

Because of this, I'll be instructing FD to provide the settlement figures to Ms F that she was given verbally on the 13 May call, and which should have been confirmed to her in writing at that time. These are the settlement figures that were valid until 10 June. These figures must be provided to Ms F within 30 days of any final decision that I may subsequently issue on this complaint and must be available for Ms F to avail of for 30 days from the date of issuance. Any payments that Ms F has made to the loans since 13 May must be applied to those settlement figures and must reduce the settlement amounts accordingly.

FD have said that Ms F can apply for loan settlement figures via online chat. But why should Ms F have to reapply for loan settlement figures she's already asked for? Additionally, as explained above, the loan settlement figures I'm instructing FD to provide here are backdated to the 13 May phone call.

I also don't see any reason why FD should continue to call Ms F, given the health conditions she's explained and given her stated discomfort with phone calls. As such, I'm also instructing FD to cease all verbal contact with Ms F and to communicate with her in written form only moving forwards. FD may only retain a mobile phone number for Ms F if they

*intend to send SMS messages to her. If this is not the case, then FD must delete Ms F's phone number from their records.*

*Finally, in regard to the distress that Ms F incurred on the call with FD and in having her requests for email correspondence ignored, and the inconvenience she's incurred because of FD's failure to provide settlement figures to her, I'm instructing FD to pay £500 compensation to Ms F.*

*In taking this position, I've considered the impact of what happened on Ms F, including the upset Ms F incurred at having to divulge personal information that there was no fair reason for her to have to divulge, alongside the general framework this service uses when assessing compensation amounts and having done so I feel that £500 is a fair amount. This compensation must be paid to Ms F directly and can only be used to reduce the loan settlement amounts with her permission.*

\*\*\*

Ms F responded to my provisional decision and confirmed that she was in acceptance of it. Ms F also stated that she would like the £500 compensation that I instructed to be applied by FD to reduce the settlement figure for the smaller of the two loans.

FD also responded to my provisional decision and raised several points. Firstly, regarding the backdated loan settlement figures that I instructed, they explained that they could manually calculate these and post them to Ms F. FD also said that if Ms F wanted to avail of those settlement figures, she should ensure that she has the settlement funds available then contact FD via online chat and type in 'talk to Finn', which will route her to FD's Customer Care Team.

Once chatting with the Customer Care Team, Ms F should state which loan or loans she is wanting to settle and explain that backdated manual settlement figures have been posted to her by FD after a decision issued by the Financial Ombudsman and that there are Customer Care notes which will explain to FD's agent what process they need to follow to close the loan using the backdated settlement figures sent to Ms F.

This seems reasonable to me, although I appreciate it may appear daunting for Ms F. However, the short version is that FD will leave notes for their Customer Care agent to read which will tell the agent how to correctly help Ms F close the loans. If for some reason Ms F finds that FD's agent doesn't understand that she has a backdated settlement figure, she should end the chat and reach out to our investigator, who can contact FD on her behalf. It should be noted that while we will try to help if those circumstances arise, it's difficult to imagine how we could do so without arranging a telephone call. As such, Ms F should attempt to close the loans with FD directly first, as per the above.

FD also stated their reluctance to remove Ms F's telephone number from their records and cited several reasons where a phone call to Ms F might be useful and appropriate, even on the understanding that Ms F finds phone calls to be difficult and uncomfortable. FD also confirmed that they would need to retain Ms F's phone number to send one-time passcodes, text alerts, etc.

In consideration of this point, I'm happy to allow FD to retain Ms F's phone number, as removing it would be detrimental to Ms F (because she wouldn't be able to receive one-time passcodes, etc.). But FD should clearly note that Ms F has a cognitive disability which means that she finds telephone conversations to be uncomfortable and challenging, such that a phone call should only be attempted as a last resort, when other communication attempts have failed or would be unworkable.

I also must note, as an impartial party, that in instructing FD to try to contact Ms F by written means, such as email or post, that if Ms F wants to avoid having FD call her as a last resort, it's incumbent on her to monitor the communication she receives from FD and to respond to it promptly when necessary.

Finally, FD explained that they felt that the £500 compensation amount I provisionally instructed was too high. But upon review, I continue to feel that £500 is a fair compensation figure in this instance.

I say this because this service is outcome focussed, and because Ms F is a vulnerable customer such that I feel that the impact of what happened was exacerbated by Ms F's personal position and the difficult recent history she's had to endure. Importantly, I feel that on the 13 May call, Ms F clearly explained how the continuing presence of the loans was affecting her and that she wanted them closed.

Had FD's agent been more alert to this point, as I feel that they reasonably should have been, then Ms F may have been able to close the loans in short order at that time. But here we are, exactly eight months later. And I feel that the length of time Ms F has been adversely impacted by what happened, and the nature of the impact itself, does fairly warrant compensation of £500 and is in accordance with the general framework used to assess compensation amounts, details of which are available on this service's website.

Accordingly, my final decision is that I uphold this complaint in Ms F's favour on the basis explained above.

### **Putting things right**

FD must calculate settlement figures for Ms F's loans backdated to the figures that Ms F should have received upon request on 13 May 2025. Any payments that Ms F has made to the loans and any interest Ms F has accrued on the loans since that time must be taken into consideration.

The calculated settlement figure for the smaller of the two loans must then be reduced by a further £500, in consideration of the £500 compensation amount being applied to that figure, as per Ms F's request.

These settlement figures must be posted to Ms F within 30 days of the date of this letter, along with clear instructions on how Ms F can avail of those figures. Ms F must be given a minimum of 30 days to settle the loans, although FD can offer a longer settlement period should they choose to.

FD must also note Ms F's discomfort with phone calls and only contact her by telephone when absolutely necessary.

### **My final decision**

My final decision is that I uphold this complaint against HSBC UK Bank Plc, trading as first direct, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 10 February 2026.

Paul Cooper

**Ombudsman**