

The complaint

Mr G complains HSBC UK Bank Plc trading as first direct is unfairly restricting his account access as he can only make payments from his account if he obtains prior approval from first direct.

What happened

When he complained, first direct said it had a duty of care to protect both Mr G and the bank and its actions were in line with first direct's policies and taken with the best intentions in mind. It said it wasn't able to pre-authorise regular grocery spending up to a set amount on his debit card as the card didn't work that way.

first direct had reason to be concerned that Mr G was at particular risk of being a victim of fraud and police enquiries are ongoing. first direct had given an assurance it would monitor Mr G's account and keep him regularly updated. In these circumstances, our investigator didn't consider that first direct was acting unfairly or unreasonably.

Mr G disagreed with the investigator. He mainly said that first direct had chosen to disbelieve the information and documents he'd supplied and it hadn't been transparent with us. He asked for an ombudsman to review his complaint, so it comes 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 listened to call recordings of Mr G's conversations with first direct and with us and I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

I can understand Mr G's frustration at not being able to freely access money in his account. Mr G is entitled to expect that first direct acts towards him in a fair and reasonable way. So this is the focus of my decision.

first direct must comply with its legal and regulatory obligations which include protecting customers from financial harm and preventing fraud. It can't simply rely on Mr G's personal assurances regarding the transactions he wants to undertake or about people he wants to send money to. It's ultimately up to first direct to authorise payments, although I'd expect first direct's action to be proportionate.

Mr G has told us he has accounts at other banks that he can use – although I understand there are restrictions applied there also.

So I think it's reasonable that Mr G has the option of ringing first direct to seek approval for any proposed payment. Whilst I appreciate this is inconvenient for Mr G, it means he can access the money in his account for essential spending whilst enabling first direct to carry out its safeguarding responsibilities.

I've looked carefully at all the documentation provided by Mr G and I've taken into account everything he's asked me to consider. Although I appreciate he feels differently, I am satisfied that the available evidence supports first direct's reasonable concerns about Mr G being exposed to being defrauded. The relevant account terms and conditions, which Mr G would've agreed to in order to be able to use his account, allow first direct to refuse his payment instructions and block his account access in these circumstances. So, I don't think first direct is acting unfairly or unreasonably towards Mr G.

I'm aware that first direct has given some consideration already to its safeguarding responsibilities in this situation, given its concerns about keeping the money in Mr G's account safe from scammers and protecting him from financial crime. I understand that previously the bank has involved the police (by invoking Banking Protocol) which demonstrated the serious concerns first direct has about Mr G being at risk of financial harm. As such I am satisfied first direct's restrictions have been imposed reasonably and in line with the terms of his account. first direct has made it clear these restrictions will stay in place until Mr G can satisfy it that his funds are not at risk from financial harm.

I'm sorry for how all this has left Mr G feeling. But to uphold this complaint I would need to be able to fairly say that first direct did something wrong or acted in a way that wasn't fair and reasonable – and I haven't seen enough here to do so.

I appreciate that my decision will be disappointing for Mr G but I hope that setting things out as I've done helps explain how I've reached my conclusions.

My final decision

For the reasons above, my final decision is that I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 29 April 2026.

Susan Webb
Ombudsman