

## **The complaint**

Ms M complains that HSBC UK Bank Plc trading as first direct ('First Direct') failed to properly offer reasonable adjustments. She also complains about a safeguarding referral it made to Ms M's council.

## **What happened**

Ms M encountered an issue with verification for a payment she was attempting to make. She said that after several failed attempts to verify by First Direct, two transactions were processed instead of one. Ms M says it took around 45 minutes to resolve the issue and left her frustrated, tearful and exhausted.

Ms M called First Direct about the difficulty she had in using First Direct's methods of verification – namely, One Time Passcodes (OTPs) via its banking app. She explained her unhappiness with the app's OTP feature and her preference for using text messages instead. The agent said OTPs were sent through the app as Ms M actively used it. Ms M talked about her difficulty with mental health and the challenges to her wellbeing when presented with too many notifications or reminders. She explained she generally deletes the app from her device until she needs it, at which point it is reinstalled.

The agent advised Ms M that this wouldn't stop the OTP coming through, and that she would need to deregister her online banking to revert to text messages. She explained that, if Ms M wanted to, she could use online banking instead of the app, for which she would be sent First Direct's pin sentry device. But, despite the agent's attempts to help Ms M, no agreement was reached during the call on a way to cater for Ms M's needs. Ms M eventually ended the call, stating she was too exhausted and unable to deal with 'this' anymore.

Ms M later received a safeguarding call from her council, triggered by a referral made by First Direct. She said this caused her huge embarrassment and impacted her wellbeing. She felt the call was wholly inappropriate and pointed out she hadn't given consent for the referral to be made. She believed it to have breached her privacy and data protection laws as well as regulation from the financial services' regulator, the Financial Conduct Authority (FCA).

Ms M complained to First Direct about what had happened. First Direct apologised for the upset and distress the safeguarding call had caused, but explained it had acted in good faith when making its referral and, as a result, it was allowed to do so. First Direct also addressed Ms M's verification concerns. It explained it had strict security processes in place for the protection of its customers, and was unable to deviate from them. It talked about the benefits of enrolling in Voice ID, thereby reducing the number of security questions Ms M would be asked. It also offered to deactivate Ms M's online account and mobile app, which would allow text messages to be sent in place of OTPs.

Ms M wasn't satisfied with First Direct's response and contacted our service. She said she didn't think First Direct had offered her reasonable adjustments in regard to its security measures. She said she'd been repeatedly locked out of her account following the introduction of First Direct's account activity questions, as part of its verification processes.

She explained that she found recalling some of the information asked during her calls difficult, and First Direct's security processes triggered her to have 'meltdowns'.

Ms M expressed her unhappiness with First Direct's safeguarding referral, finding it to have arisen due to a misunderstanding of her disabilities. She pointed out the council had found there to have been nothing of concern following its contact with Ms M. She also raised concerns about elements of First Direct's handling of her complaint.

Our Investigator considered the complaint, but didn't uphold it. She said First Direct had a regulatory obligation to protect Ms M's account. She said it wasn't reasonable to expect First Direct to meet every customer's specific needs, and that a level of acceptance is expected from customers. Overall, she was satisfied with the alternatives First Direct had offered. She also found First Direct to have been fairly operating within its duty of care during its referral to Ms M's council regarding her wellbeing.

Ms M didn't accept the Investigator's view. She said no evidence had been presented as to the specific risk that triggered the referral or its lawful basis. She said being asked to recall infrequently used information put her at a disadvantage to customers without her disabilities – she felt this amounted to foreseeable harm. She said voice recognition hadn't worked with other institutions, so she didn't think it would work with First Direct. She also highlighted what she believed to be factual inaccuracies in First Direct's complaint response, which hadn't been addressed by the Investigator.

As no agreement could be reached, the case was passed 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.

Having done so, I won't be upholding this complaint. I realise this outcome will be disappointing for Ms M, so I've set out the reasons for my decision below.

I would like to mention my decision in no way seeks to diminish the impact of the health issues and disabilities Ms M has shared with our service. However, I should explain that my role here is to think about the individual circumstances of this complaint and decide whether First Direct did something wrong which caused Ms M to lose out. If I think it did, I can then consider what – if anything – First Direct should do to set matters right.

In reaching my conclusions, I've taken an independent view of the circumstances, and have considered relevant rules and regulation. But I have ultimately decided this case on what I believe to be fairest in all the circumstances of this complaint – and that includes the fairness of First Direct's referral to Ms M's council. And while I can understand why Ms M believes First Direct should do something to compensate her, I don't agree.

I realise that I've summarised this complaint in less detail than Ms M and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me. And 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 a specific point, it's not because I haven't considered it but because I don't think I need to comment on it in order to reach the right outcome.

First Direct should be on the lookout for transactions that appear to be out of character or unusual – or any other signs that might indicate its customers are at risk of fraud. The bank,

with its increased knowledge of what fraud and scams can look and feel like, is entitled to seek verification on transactions when required. First Direct's fraud prevention system is complex, and its algorithms haven't been shared for good reason. To do so would allow fraudsters to circumvent the measures put in place to protect First Direct's customers. In this case, one of Ms M's payments required additional verification, and I don't think there's anything inherently unfair about that, regardless of the relatively small amount.

Ms M has asserted that First Direct's actions in relation to identification and verification amount to causing foreseeable harm, But First Direct has offered alternatives which, in my view, amount to reasonable adjustments. And I believe the absence of these measures – or similar – would unnecessarily expose Ms M to the risk of fraud, thereby causing potential foreseeable harm.

Ms M has detailed the difficulties she encounters with First Direct's methods of identification and verification. I've carefully considered Ms M's concerns here, as well as the alternatives provided by First Direct. Ms M has given reasons as to why she doesn't want to use the alternatives First Direct has offered her, but I haven't been presented with any evidence which persuades me the alternatives aren't reasonable or suitable.

There is a balance to be struck between a bank providing reasonable adjustments and its obligation to keep itself – and its customers – safe from financial harm. From the evidence I've been presented with, I think the alternatives offered by First Direct are reasonable in its intention to allow Ms M to achieve her financial objectives, while allowing First Direct to meet its legitimate aim of keeping her account secure.

I've also considered Ms M's concerns around First Direct's safeguarding call. Having listened to the call with First Direct's agent, I think the agent's actions in contacting Ms M's council to ask if she was known to it were reasonable and justified in the circumstances. During Ms M's call with First Direct, she displayed signs of distress and confusion, and, despite the agent's measured and empathetic approach, seemed to become agitated and upset. I think it's important to note that First Direct has an ongoing relationship with Ms M and, while the referral was triggered by that particular call, it was made as part of overall concerns about Ms M's wellbeing, highlighted by previous calls she had with First Direct.

As touched upon earlier in my decision, my role here is to assess the impact of any failing on First Direct's part and the fairness of its actions. I haven't seen any evidence which persuades me that First Direct acted unfairly in the circumstances of this case. And, while I'm aware that Ms M has concerns about some elements of First Direct's handling of her complaint, I'm mindful she has been able to bring her complaint to our service, for an independent review of all of the facts – something which she has now done.

And so, while I realise my decision will be disappointing for Ms M, I won't be upholding this complaint, or asking First Direct to do anything in relation to the matters it covers.

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 8 May 2026.

James Akehurst  
**Ombudsman**