

complaint

Mr H says HSBC plc (trading as first direct) provided poor service provided when he transferred money for a property purchase, and when he moved his account. The compensation offered doesn't reflect what happened, and the bank needs to accept full responsibility for its errors.

background

Mr H was given incorrect information when he transferred his deposit for a house purchase. He says the bank responded by blaming an individual agent and the time he requested the transfer. It refunded the £25 fee and paid £100 compensation for the trouble and upset this caused.

Mr H then decided to leave first direct. But the bank failed to respond to his new provider on time. It sent his list of standing orders and direct debits two days late. For the inconvenience this error caused, HSBC paid £50 compensation.

Our adjudicator didn't recommend the complaint should be upheld. He said, in summary, the bank accepted its agent gave incorrect information about the timing of the transfer. And that it sent the standing order and direct debit information late.

But he thought the bank's response to Mr H's complaint was reasonable – it'd apologised and he felt £150 compensation was fair. Whilst he understood it was distressing given the reason for the transfer, Mr H's property purchase wasn't affected. And he could find no evidence the bank deliberately delayed providing information to the third party.

Mr H disagreed. He said the compensation didn't reflect the level of financial risk the bank had exposed him to, or the amount of time he had to spend making sure his deposit was paid. And he only got the £100 compensation (relating to the deposit transfer) after complaining twice.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I know Mr H feels very strongly about this, but I haven't found compelling evidence to change the proposed outcome.

It isn't in dispute that first direct should've handled both service requests better. But I'm satisfied it accepted responsibility for these failures in its final response letters. What I now need to decide is the right level of compensation.

for the incorrect information about the transfer

I think £100 is fair compensation. To reach my decision I've thought about the length of the time the problem went on for, and what Mr H had to do to resolve it, and the impact it had. I recognise it was stressful for Mr H as the transfer was his deposit for a house purchase. But I also have to consider that the property purchase went ahead as planned. I understand Mr H feels the bank exposed him to a significant financial risk, but I can only consider actual financial loss when I make my award.

We would expect the bank to refund the transfer fee in such circumstances, as it has.

for the delay sending direct debit and standing order details

I think £50 is reasonable here. The delay was short-term (two days) and I can't find evidence it was more than a minimal inconvenience. I've found no evidence to support Mr H's suggestion that it was a deliberate delay.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 24 October 2016.

Rebecca Connelley
ombudsman