

The complaint

Mr and Mrs W complain that HSBC UK Bank Plc, trading as First Direct, didn't transfer their direct debit properly as part of their current account switch.

What happened

Mr and Mrs W had an account with bank A and chose to switch this to a First Direct bank account in September 2022. As part of the switch they understood that all of their direct debits would be automatically transferred.

In July 2023 Mr and Mrs W expected a payment to be taken out of their account by their council for garden waste collection. They had completed a direct debit instruction with their council for this back in July 2022 when they were with bank A. However, this payment wasn't taken and the council later wrote to Mr and Mrs W to explain the bill was outstanding.

Mr and Mrs W were upset and embarrassed by the situation. They raised a complaint with both bank A and First Direct.

First Direct said it was notified of seven direct debits from bank A at the point the account was switched all of which were successfully transferred. It had no record of the garden waste direct debit and as such it said it hadn't done anything wrong.

Mr and Mrs W remained unhappy and brought their complaints about both banks to our Service.

The Investigator on this complaint was of the view that First Direct didn't do anything wrong. Mr and Mrs W asked for an Ombudsman to review the complaint and noted that First Direct was ultimately responsible for the direct debit guarantee.

So, this complaint 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'm not persuaded First Direct has made an error here.

All of the available evidence indicates that the garden waste direct debit details were never passed to First Direct by bank A. Both bank A and First Direct have provided our Service with a list of direct debits handed over and these lists confirm that this payment was not included.

I'm therefore satisfied that First Direct isn't responsible for the fact this payment was not made. And for this reason, I don't think it's acted unfairly here.

I recognise that processing of this payment didn't work smoothly for Mr and Mrs W. I can appreciate why they feel someone needs to be held accountable for this and I note they've suggested that as their new bank, First Direct is responsible for the guarantee. But for the reasons outlined above, I'm satisfied the problem that occurred here isn't something First Direct was responsible for. So, I don't think it would be fair or reasonable to hold it accountable. And within this decision, I am only considering the actions of First Direct.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W to accept or reject my decision before 19 December 2024.

Jade Cunningham
Ombudsman