

The complaint

Mrs S complains that HSBC UK Bank Plc trading as First Direct didn't inform her that her account switch had been delayed.

What happened

Mrs S applied to switch her account to First Direct. She asked for the switch to be completed on 23 October 2023. The switch was delayed by four days. But First Direct didn't inform Mrs S of the delay, so she complained.

First Direct said that the application was delayed due to an inconsistency between the name Mrs S entered on the application form and the name on her driving license. And this required it to do additional checks. But it accepted that it should have contacted Mrs S to let her know about the delay, so it credited her account with £50 compensation to apologise.

Mrs S referred her complaint to this service. Our investigator looked into the matter, but he didn't uphold the complaint. He acknowledged that First Direct could have done things better, but he thought that £50 compensation was fair.

Mrs S didn't agree and asked for an ombudsman to consider her complaint, so the complaint has been passed to me.

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, based on the information provided by Mrs S and First Direct, I've reached the same conclusion as the investigator. I appreciate that Mrs S will be disappointed, so I'll explain why.

From what I saw Mrs S completed an application to switch her current account to First Direct. And she asked for the switch to be completed on 23 October 2023. Unfortunately, the switch was delayed by four days. It completed on 27 October 2023.

First Direct says the delay was due to additional checks needed as the name Mrs S entered on her application form didn't match the ID she had provided.

I've looked at the information Mrs S input on her application form and a copy of her driving licence that First Direct has provided. And I'm satisfied that there is a small difference in the names – the last letter of Mrs S' first name wasn't on the application form. So, I'm persuaded First Direct needed to do additional checks.

When a consumer switches from one bank to another, the process is backed by a 'Switch Guarantee'. The Guarantee says: *'If there are any issues in making the switch, we will contact you before your switch date'*.

First Direct has acknowledged that it didn't contact Mrs S when it should have. It has apologised and paid Mrs S £50 compensation. I've thought about whether this is fair or if First Direct should do more to put things right.

The Switch Guarantee goes on to say: *'if anything goes wrong with the switch, as soon as we are told, we will refund any interest (paid or lost) and charges made on either your old or new current accounts as a result of this failure'*.

I've seen that First Direct wrote to Mrs S on 27 October 2023 to confirm the switch had been completed and that her funds from her old account had been transferred over along with any direct debits and standing orders. Mrs S hasn't told us that she lost any interest or incurred any charges or that any other issues arose because of the four-day delay.

I have thought about whether Mrs S may have wanted to cancel the account switch. But instructions to cancel an account switch must be given at least seven days before the switch date, and I haven't seen anything to suggest Mrs S did this.

The account switch was delayed by four days and Mrs S hasn't told us about any financial loss or material inconvenience that was caused by not being informed of the delay. So, I'm not persuaded that Mrs S suffered any significant impact because of First Direct's error in not telling her about the short delay. So, I'm satisfied that the compensation payment of £50 is fair. And I won't be asking it to take any further action in respect of this complaint.

My final decision

For the reasons given above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 April 2024.

Sandra Greene
Ombudsman