

The complaint

Mr A complains that HSBC UK Bank Plc trading as first direct wouldn't allow him to open a new Regular Saver Account (RSA) until the maturity period of his previous RSA ended.

What happened

On 16 May 2022 Mr A opened a new RSA with first direct that had a one year term. First direct sent Mr A a letter to confirm what payments he could make and advising that on the anniversary of the account opening it would transfer the funds saved plus interest to an existing savings account.

On 2 May 2023 first direct wrote to Mr A to notify him his funds would be paid into his savings account on 16 May 2023. First direct's letter added that it could take five days (or longer if the maturity date was a weekend) to complete the maturity process. The letter advised that if Mr A needed access to his funds during that period he could contact first direct which would help him move it.

Mr A's explained he contacted first direct on 16 May 2023 to open a new RSA as the existing one had matured. But the agent Mr A spoke with explained that whilst he could access his funds immediately, a new RSA couldn't be opened until the maturity process had been completed which should take around five days.

Mr A raised a complaint and first direct sent him a final response on 19 May 2023. The final response said the maturity process can take up to five days and that a new RSA could be opened once it had been completed. Mr A's complaint wasn't upheld.

An investigator at this service looked at Mr A's complaint. They weren't persuaded first direct had made a mistake or treated Mr A unfairly and didn't ask it to do anything else. Mr A asked to appeal and said first direct operates differently to other businesses he holds similar accounts with which allow a new account to be opened on the date the previous one matured. Mr A added that first direct hadn't told him he wouldn't be able to open a new account during the maturity period of his existing RSA. As Mr A asked to appeal, his complaint has been passed to me to make a decision.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

When Mr A opened the RSA in May 2022 first direct issued terms and conditions. In the terms, first direct explains that on maturity the funds held in the RSA will be paid into another savings account in the customer's name. The terms say the maturity process can take up to five days unless the maturity date falls on a weekend. The terms add that funds will be available to the customer immediately if they contact first direct. This information was repeated in first direct's letter date 2 May 2023 notifying Mr A the maturity date was approaching.

In response to the investigator, Mr A explained that nowhere in the terms and conditions does it say that first direct won't open a new RSA until the current RSA's maturity process has completed. I take Mr A's point, but the terms and conditions first direct issued related to the RSA he opened on 16 May 2022. First direct has confirmed it wouldn't include information about a future RSA in the terms of an existing RSA. I'm satisfied that's a reasonable approach and haven't seen anything that shows first direct misled Mr A.

First direct has made the point Mr A was able to access his money during the maturity period. And Mr A has told us he's used to operating similar accounts with other businesses. So whilst I acknowledge Mr A was frustrated that there would be a delay in opening a new RSA, he had access to his funds on the date of maturity and could've arranged a transfer to another business that allowed him to proceed with an alternative without any delay.

Mr A's explained that other businesses he deals with operate differently to first direct. But first direct is free to operate in line with its commercial discretion, including deciding when customers can open a new RSA. I haven't been persuaded first direct acted unfairly on the basis it operates differently to other businesses.

I note that first direct has also made the point Mr A has held RSAs in previous years, all of which have been subject to the same process.

I'm sorry to disappoint Mr A but I haven't been persuaded that first direct misled him or made a mistake when it advised the maturity process had to be completed before a new RSA could be opened. As a result, I'm not telling first direct to do anything else.

My final decision

My decision is that I don't uphold Mr A's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 January 2024.

Marco Manente
Ombudsman