

The complaint

Mr B has complained that he cancelled a Direct Debit on his Santander UK Plc ("Santander") current account a number of years ago using his mobile banking app.

Mr B says he was reviewing his account in March 2022 and noticed that the Direct Debit payments that he'd requested to be cancelled a number of years prior, were continuing to be paid from his account.

Mr B says that the Direct Debit wasn't showing up in his list of active Direct Debits, even though the payments were being taken from his account quarterly. Mr B says that this led to him not noticing the payments being taken from his account.

What happened

In its response to the complaint, Santander said that it was unable to find any evidence to show that the Direct Debit payment that Mr B has questioned was being taken due to any error it had made. Santander said that as the Direct Debit payments had been taken from Mr B's account for a number of years, Santander asked for further evidence to show how Mr B had asked for the Direct Debit to be cancelled.

After referring his complaint to this service, our investigators assessed the complaint, and they too were unable to conclude that Santander had acted unfairly or unreasonably.

In summary, the investigator said that Mr B did have a Direct Debit set up with one company (E) which he cancelled via the Santander banking app. The last Direct Debit payment he made to E was £56.34 on 13 June 2017.

However, the investigator could see that a new Direct Debit was set up with another company (W), with the first payment of £56.34 made on 8 December 2017. These payments were paid from Mr B's account quarterly, although the description given to the payments were different to the name of the originator (the company taking the payment). Mr B contacted Santander on 5 March 2022 to request that the Direct Debits to W be cancelled, which they duly were.

Overall, the investigator was unable to see that Santander had acted unfairly or unreasonably as it seems that the Direct Debits had been correctly set up and applied according to the Direct Debit instructions it had received. Although the investigator did suggest that if Mr B thinks he shouldn't have been charged the Direct Debits by W, he should raise this with the company that was taking the payments.

Mr B disagreed with the investigator's assessment. In summary, Mr B says that the 'new' Direct Debit that W had set up on his account didn't appear in the list of active Direct Debits on his account. Mr W says that this was the reason why it took him so long to notice the Direct Debit was being taken from his account, as he says, without his knowledge.

As Mr B disagreed with the investigator's assessment, the matter was referred for an ombudsman's 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 have considered everything that has been provided by Mr B and Santander. And having done so, I don't uphold this complaint, broadly for the same reasons that the investigator gave.

Direct Debit not cancelled

When Mr B initially complained, he said that he'd cancelled a Direct Debit a number of years ago, but he noticed in 2022, that a Direct Debit was in fact still being taken from his account.

Following the investigators assessment of this complaint, it transpires that Mr B previously had three consecutive Direct Debits set up for the same originator: E. They were all paid out on a quarterly basis. These were as follows:

Date Started	Last Payment	Cancelled
13 September 2012	8 June 2013	20 June 2013
24 June 2013	7 March 2017	30 March 2017
21 March 2017	12 June 2017	01 May 2018

Due to how long-ago events took place, it's not clear why there were three different Direct Debits for the same company - although it seems likely that this was done purely for administration purposes by the originator and all three were essentially to cover the same payment. It does not appear to be in doubt that Mr B had authorised the company to take the quarterly Direct Debits as per the different mandates registered on his account.

Turning now to the issue of cancellation, Mr B says he cancelled the Direct Debits, but says they were still being taken from his account up until 2022.

Santander has provided evidence to show that Mr B had cancelled the second Direct Debit at the end of March 2017. But it says that its records indicate that Mr B didn't cancel the third Direct Debit – which suggests that the originator had cancelled it instead. Again, it's not clear why a further (final) single payment was taken in June 2017. There may've been valid reasons why the originator did this, for example due to its cancellation terms or if the payments were paid in arrears i.e. the June payment was taken because Mr B had asked to cancel his subscription during the quarter that the payment related to.

But ultimately, it seems that Mr B had contacted Santander in 2017 and instructed it to cancel the Direct Debit set up against E and the Direct Debit was subsequently cancelled. With the last payment being taken by E in June 2017. As such, I can't say that Santander has acted unfairly or unreasonably, or had failed to follow Mr B's instruction to cancel the Direct Debit mandate that was set up on his account to make payments to E. Overall, I'm satisfied that when Mr B has asked Santander to cancel direct debits – it has done so.

Direct Debit Guarantee

Based on what I've seen here - it seems that the quarterly payments that Mr B noticed in 2022 were in fact in relation to a different Direct Debit, paid to a different company – this time 'W'. Santander has provided the following information in relation to the Direct Debit that was set up on Mr B's account for W:

Date Started	Last Payment	Cancelled
3 July 2017	2 March 2022	5 March 2022

I can see that the amounts taken by W were for the same amount that E took, and they were paid on a quarterly basis too. So the two payments were clearly linked in some way. But

neither Mr B nor Santander have been able to provide any insight as to the relationship between E and W.

Nevertheless, I can only reasonably ask Santander to refund the Direct Debit amounts if there was an error with the Direct Debit. I say this because the Direct Debit guarantee covers errors made in the processing of direct debit payments. It doesn't address disputes between the payer and the recipient organisation. On the Direct Debit website, the guarantee explains that:

"The Direct Debit Guarantee applies to all Direct Debits. It protects you in the rare event that there is an error in the payment of your Direct Debit, for instance if a payment is taken on the incorrect date, or the wrong amount is collected. It cannot be used to address contractual disputes between you and the billing organisation."

But I can't see that there was an error with the Direct Debit. It seems that Santander had received a Direct Debit mandate to authorise payments to be made to W from Mr B's account - with the first payment that W took from Mr B's account was in December 2017. And it seems that the payments continued to be taken - unchallenged by Mr B - on a quarterly basis for a number of years. So from everything I have seen I can't see that there was an error with the Direct Debit i.e. there is nothing to suggest the wrong amount was taken or that it was taken on the wrong date.

In one of Mr B's responses to the investigator, he questioned how the supplier could've set up a new Direct Debit mandate without his authorisation. There are separate considerations to the Direct Debit Guarantee here that are relevant here. In general terms, the relevant regulations say that a bank is liable if a customer didn't authorise a disputed payment, and the customer is liable if they did authorise a disputed payment.

Here, the payments in dispute were set up as a Direct Debit through the Automated Direct Debit Instruction Service. As the Direct Debit looks to have been set up online and was automated with the details provided by the third-party merchant, that means there isn't a "paper" audit trail of the direct debit here. But that's not unusual, as Direct Debits are intended to be a simple and convenient way of setting up payments.

When Santander set up the Direct Debit on this automated basis, it had had no notice of any problems. The Direct Debits weren't raised as a problem until some years later in March 2022. I appreciate that is when Mr B noticed a quarterly payment was being taken from his account. But technically, Santander did nothing wrong here in setting up the Direct Debit, because from what I've seen - it followed its normal procedures and processed the payments in line with the Direct Debit for a number of years.

Santander was clearly provided with the details necessary to set up the Direct Debit here and whoever set this up would have needed access to Mr B's account information to do so. Overall, I don't think it was likely that Santander would have been aware of any issues with the Direct Debit when it was set up. It then went on to make regular payments for a number of years which would have only supported the validity of the instruction and that this was a payment being made with Mr B's authorisation.

What matters though, is how Santander dealt with Mr B's concerns about the Direct Debit when it was put on notice of them. I can see that the Direct Debit was cancelled on 5 March 2022, when Mr B raised it with Santander. So I can't see that it would be fair for Santander to have to refund Mr B for payments made before a problem was reported to it, when it hadn't done anything technically wrong. So that is as much as I can fairly expect of Santander here.

Mr B is free to pursue a separate claim against the originator of the payments, but I can only consider Mr B's complaint against Santander under the rules here. Although I would like to make it clear to Mr B that Santander has said that, if he can provide Santander with evidence from W showing that the Direct Debits were in fact taken in error, then it could look into processing an indemnity claim for Mr B.

Finally, I note that Mr B has said that he never noticed that the monthly payments were being made to W. Mr B says the Direct Debit didn't show up under the list of active payments on his account.

Unfortunately, I don't know what the list of active payments did show around March 2022. Santander has provided a list of all the past payments for Mr B's account, and I can see that the Direct Debit payments (including the one to W) did show up there. So I can't rule out the possibility that the Direct Debit for W was on the list of active payments, but Mr B had missed it. But even if it was the case that the Direct Debit was missing from the list of active payments, I can see that the payments were showing up on Mr B's statements. So I can't say that Santander had hid the payments from Mr B as and when they were being taken from his account.

So taking everything into account, I'm unable to say that Santander has acted unfairly or unreasonably in this matter. It therefore follows that I'm unable to say that Santander should reimburse Mr B the Direct Debits that have been applied to his account since December 2017. Although, as outlined above, Santander has said that it would be prepared to consider an indemnity claim - if Mr B can provide evidence from the originator showing the payments were incorrectly taken. If Mr B wishes to do that, he will need to contact Santander directly.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 November 2023.

Thomas White
Ombudsman