

The complaint

Ms H complains that Bank of Scotland plc trading as Halifax (Halifax) won't refund money she claimed under the direct debit indemnity scheme.

What happened

Ms H made several claims from Halifax under the Direct Debit Indemnity (DDI) scheme. All were declined. She included three claims relating to three utility companies (which I can't name here for reasons of confidentiality).

Ms H complains that Halifax have declined her claims, which she says is unfair. She said the payments were made in error and wants a refund. The payments were made between 2010 and 2021.

She said she hadn't signed any agreements to make the payments to the companies concerned. And payments over the period were changed without warning or her consent. She said that the three utility companies do not create or supply gas/electricity and so the payments are fraudulent. Ms H said by law, everyone should be entitled to free water, gas, and electricity.

Halifax said the claims were denied because the claim wasn't valid and didn't meet their criteria for a refund. Payments had been made since 2010 and Ms H hadn't challenged the payments during that time. They referred Ms H back to the originating companies.

Ms H brought her complaint to us and our investigator looked at what had happened.

Halifax told us that Ms H had made 55 claims for refunds, but none of those included the three utility companies which were the subject of the complaint Ms H brought to this service. But looking at Ms H's other claims, our investigator said Halifax had reviewed the claims in line with the DDI rules – and found there hadn't been an error, so declined the claims. There wasn't a reason for a 'wet signature' to be provided – as the DDs were set up electronically.

She said Halifax declined the claims properly.

Ms H didn't agree and asked that an ombudsman look at her complaint. She said the ombudsman doesn't defend people, only companies.

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've seen Ms H's comments– so let me say at the outset that we are not a consumer group – we don't take sides. We are independent and impartial and our role is to listen to both sides of a complaint, take evidence from both parties, and then decide on a fair and reasonable outcome.

Halifax told us that Ms H hadn't put claims to them for the direct debits to the three utility companies. So here – I can't comment on Halifax's decision on those claims. Because simply, claims haven't been put to Halifax.

So – if Ms H wishes to put those claims to Halifax, she should do so.

However, in reviewing her complaint, I would note (and ask Ms H to consider this):

- A wet signature isn't needed to set up a direct debit. In most cases, the direct debit is set up electrically, online.
- A wet signature isn't needed if the amount claimed by the direct debit originator varies – it is part of the DD scheme that amounts claimed can be variable and can be changed by the companies concerned.
- Any claim where payments have been made for a long period of time (without being challenged) isn't likely to be successful. And in the case of the three utility companies, Ms H told us they'd been paid from 2010 to 2021.

Halifax told us that Ms H had made 55 claims for other DD originators – and they've been declined. And I can see that on those, Halifax correctly followed processes in reviewing them and came to reasonable and fair decisions.

So – it is up to Ms H if she wants to put the further claims to Halifax, but I'd advise her to consider what I've said before she does so. I hope she finds that helpful.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 3 November 2023.

Martin Lord
Ombudsman