

## The complaint

Mr W complains that Clydesdale Bank Plc trading as Virgin Money did not cancel a direct debit.

## What happened

Mr W says he cancelled a direct debit but Virgin Money didn't do this. He says they tried to pay the direct debit without his permission. Mr W made a complaint to Virgin Money who did not uphold Mr W's complaint. They said there was no evidence that he asked them to cancel the direct debit prior to 19 April 2023, or that he attempted to do it himself via internet banking or via the mobile application (app). Mr W brought his complaint to our service.

Our investigator did not uphold Mr W's complaint. She said on 13/14/18 April 2023 letters were sent to Mr W to say the direct debit payments had been declined due to insufficient funds in the account. She said Virgin Money doesn't have any record of the cancellation of the direct debit until after these dates, and their internal records show the direct debit was last presented on 21 April 2023, and no funds debited his account.

Mr W asked for an ombudsman to review his complaint. He provided evidence of an email from the direct debit provider on 15 February 2023 which says *"We appreciate you taking the time to get in touch, and I am sorry to hear that you would like to cancel. I can confirm that your Monthly Contribution has been cancelled with effect from your last billing date on the 22nd of January 2023. No further payment will be taken"*. Mr W says Virgin Money sent him letters about the failed direct debit collection and leaflets which caused him upset.

## 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'd like to explain to Mr W that it is not within this service's remit to tell a business what letters or leaflets they should send to a customer if they have been unable to process a direct debit payment. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Virgin Money to make changes to their policies and procedures, if necessary.

I can sympathise with the position that Mr W found himself in here. I say this because he has provided evidence from the direct debit provider that they told him that they cancelled the direct debit on 15 February 2023. The wording of this email states *"I can confirm that your Monthly Contribution has been cancelled with effect from your last billing date on the 22nd of January 2023. No further payment will be taken"*. So Mr W would expect no more direct debit payment attempts.

I've looked online at the terms and conditions of Mr W's account to see if this says anything about cancelling direct debits. Section 3.4.6 of the terms covers this. It says *"If you wish to amend or cancel either a standing order or Direct Debit you must provide us (and the payee in the case of Direct Debit) with your authority at least one working day before the*

*transaction is due to take place.*” But the evidence Virgin Money have provided us is that Mr W cancelled this direct debit on 20 April 2023, and although he contacted the direct debit company before this, it doesn’t appear that he contacted Virgin Money about this before the third party company tried to take the direct debit payment.

I’ve looked at the chats which Mr W had with Virgin Money, and the last chat I could see is on 11 February 2023. But this is regarding a statement request, and not about cancelling his direct debit. Virgin Money have said that Mr W didn’t contact them prior to 20 April 2023 to cancel his direct debit, so I’m persuaded that they were unaware that he wanted the direct debit to be cancelled even though the third party direct debit provider told him they would take no further payments.

It’s likely that Mr W thought that the confirmation from the direct debit provider was enough that they wouldn’t try to take a payment again. And I can understand if he felt this way, after all, they told him they wouldn’t be taking any further payment. But the evidence suggests the company didn’t contact Virgin Money about this, or cancel it on their side like they set out on the email to Mr W. I say this because unlike a standing order where Virgin Money would be responsible for paying the funds to the recipient, with a direct debit, the company requests payment from Virgin Money. So if the third party company had cancelled the direct debit on their end, then there would be no reason for them to keep asking Virgin Money for the payment.

So although Mr W believes that Virgin Money are in the wrong for what happened here, I’ve not seen any evidence to suggest they were aware Mr W wanted to cancel the direct debit prior to when he informed them he wanted this cancelled on 20 April 2023. As a result, I can’t say that Virgin Money made an error. So it follows I don’t require Virgin Money to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 12 December 2023.

Gregory Sloanes  
**Ombudsman**