

## **The complaint**

Miss C is unhappy that Barclays Bank UK PLC didn't find in her favour regarding a claim for direct debit reimbursements she submitted to them.

## **What happened**

To briefly summarise: In March 2023, Miss C submitted a claim to Barclays for reimbursement of all direct debits that she'd paid to her local council for council tax. Miss C felt that her local council had taken these payments unlawfully, and she felt that she was entitled to a reimbursement of these payments under the direct debt guarantee.

Barclays sent a questionnaire to Miss C about her claim, which she completed and returned. But upon review, Barclays felt Miss C had a dispute with her local council which wasn't covered by the provisions of the direct debit guarantee. And they didn't feel that any error or omission had occurred whereby Miss C was reasonably entitled to a reimbursement of the direct debits from them. Miss C happy about this, so she raised a complaint.

Barclays responded to Miss C and reiterated their position. Miss C wasn't satisfied with Barclays' response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Barclays had acted unfairly in how they'd managed the situation, and so didn't uphold the complaint. Miss C remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Miss C has provided several detailed submissions to this service regarding her complaint. I'd like to thank Miss C for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Miss C notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Miss C and Barclays. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Miss C feels that her local council have taken council tax payments by direct debit from her unlawfully. And she made a claim for reimbursement to Barclays for a reimbursement of all historical council tax direct debits paid to her local council under the direct debit guarantee.

But a dispute of the nature that Miss C describes here isn't covered by the terms of the direct debit guarantee, and neither is it intended to be. Rather, the purpose of the direct debit guarantee is to protect consumers if there is a mistake involving the payment of a direct debit that either the consumer has authorised – i.e. ensuring that the correct payment amount is taken in line with authority given by the consumer – or reimbursing direct debits that have been taken without a consumers authority.

Neither of the above scenarios are true in this instance. Instead, Miss C is seeking reimbursement of the direct debits because she feels the payments that she had previously authorised to be taken by direct debit have in fact been taken unlawfully by her local council.

It therefore seems clear to me that Miss C's dispute is about whether her local council were legally permitted to request and receive the payments that Miss C authorised them to take by direct debit from her Barclays account. But in this scenario Barclays haven't done anything wrong. And this is because Miss C did authorise the direct debit payments that were made to her local council in the first instance.

Miss C may argue that she didn't provide any authority to her local council to apply for and receive the direct debit payments. But for the direct debit in question to have been set up, Miss C had to provide her sort-code and account number to her local council. And I'm satisfied that it was fair and reasonable for Barclays to have processed the direct debit payments in line with the request it received from the local council, given that Miss C had provided her bank details to the local council to facilitate the payments – an act which is commonly seen as providing authority for the payments to be made.

Additionally, Miss C hasn't sought a reimbursement from Barclays on the basis that she never authorised the payments in the first instance. Rather, she did so on the basis that she now believes the local council lacked the legal authority to request and receive the payments. And if Miss C was making payments for several years that she hadn't given her authority to be made, it seems reasonable to me that Miss C would have challenged those payments on that basis as soon as she became aware of them, which isn't the case.

All of which means that I'm satisfied that Barclays haven't done anything wrong or acted unfairly here. This is because they processed the direct debits that I feel it's fair for them to consider that Miss C authorised her local council to apply for. And there were no mistakes in those direct debit payments because the amounts of the payments that were processed were the correct amounts – a fact which Miss C isn't disputing. And these are the things that are covered by the direct debit guarantee.

Ultimately, the direct debit guarantee isn't designed or intended to apply to disputes of the nature of Miss C's dispute with her local council here. And so, if Miss C continues to hold her dispute, I'm satisfied that it would be a matter between her local council and herself, and not something which Barclays should fairly be expected to engage in. And this is especially the case when a reimbursement claim has been made under an incorrect understanding of the remit of the direct debit guarantee – as is the case here.

For these reasons, I won't be upholding this complaint against Barclays or instructing them to take any further or alternative action here. I trust that Miss C will understand, given what I've explained, why I've made the final decision that I have.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 8 January 2024.

Paul Cooper  
**Ombudsman**