

The complaint

Ms N complains Barclays Bank UK PLC ("Barclays") refused to refund her payments after she made a claim to them under the Direct Debit Indemnity scheme.

What happened

Ms N contacted Barclays to query payments from her account which began in 2019 as she had no recollection of them and could identify what they were for. A Direct Debit indemnity claim was raised but Barclays refused to refund the payment. Ms N complained to Barclays about the refusal. It didn't uphold her complaint. It told Ms N that it could only provide a refund of Direct Debits where the customer has proved the Originator had made an error in collecting payments from the account. It said it had looked to see if the originator had made an error but couldn't see that was the case. So, Barclays said it couldn't agree with Ms N's complaint as a result.

Our investigator didn't uphold the complaint. On the information available she didn't agree that an error had been identified. And based on the amount of time since the payments were made, she thought it reasonable to say Ms N may not recall agreeing the payments. She thought Barclays suggestion to contact the originator was fair and provided Ms N with their contact details and references.

Ms N didn't agree and asked 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.

Firstly, I have sympathy with the situation Ms N finds herself in. I can appreciate this has been a difficult time for her. As much as I understand her frustrations, I've got to look at whether Barclays did anything wrong. And, having reviewed all the evidence here I don't think they did. I'll explain my reasons.

Ms N's told us she didn't recognise payments to an originator which began being taken, weekly, from her account in April 2019. She said she hadn't discovered the payments until recently as due to her circumstances she hadn't been checking bank statements. But when she did notice she queried them with Barclays and raised a Direct Debit indemnity claim

Barclays complied with that request but wouldn't raise a Direct Debit indemnity claim under the terms of the Direct Debit Guarantee. I've considered whether that was a reasonable response.

The Direct Debit Guarantee is set out in full online and provides details of the circumstances under which consumers can raise a claim. The information provided explains the guarantee comes into play when something goes wrong with a Direct Debit payment. The examples given are of the wrong amount being collected or the payment being taken on the wrong date. It says:

“In the rare event that an error is made in the payment of your Direct Debit, either by the organisation or your bank or building society, you are entitled to a full and immediate refund from your bank or building society.*

**The Guarantee covers Direct Debit payments. It cannot be used to address contractual disputes between you and the billing organisation.”*

The guidance provided specifically explains that the guarantee can't be used to address contractual disputes with the billing organisation who originates the payment. I think that's important.

Ms N isn't seeking a refund on the basis that the payments themselves were incorrectly administered. Ms N is seeking to receive refunds on the basis that she can't recognise the originator or recall what the payment is for. In my view, that's in line with a contractual dispute on the basis of whether the payment was legitimately due rather than whether a particular payment was processed correctly or not. So, I'm not satisfied the terms of the Direct Debit Guarantee covers the request Ms N made.

I appreciate Ms N's told Barclays she's been unsuccessful in her attempts to contact the originator. I would repeat the suggestion of both our investigator and Barclays to contact the originator to query the payments in the first instance. Our investigator has set out full contact details for the payment originator and the relevant references to Ms N in her view, so I shan't repeat them here.

I appreciate Ms N will be unhappy with my findings but, the basis of the information provided in the Direct Debit Guarantee, I haven't been persuaded Barclays treated her unfairly when it declined her Direct Debit indemnity claim. So, I don't think Barclays have done anything wrong and can't uphold this complaint.

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 Ms N to accept or reject my decision before 10 January 2024.

Annabel O'Sullivan
Ombudsman