

The complaint

Mr A has complained that Santander UK Plc has rejected his Direct Debt Indemnity (DDI) claim.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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 agree with the investigator's findings for broadly for the same reasons and I will explain why. But before I do so, I would like to say I am sorry to hear about the circumstances Mr A has found himself in. I appreciate this must have been really difficult and I empathise with his situation.

At this point I would like to highlight that originally Mr A had raised concerns with the service he received when he went into the branch, and the fact he was handed a letter in the street without identifying him. However, our investigator asked Mr A if he wanted us to investigate this aspect of his complaint, as he'd not mentioned it since the initial call. Mr A clarified he wanted to keep the matter separate. As such, I haven't made a finding on this in this complaint.

As Mr A will be aware, the direct debit guarantee isn't designed to deal with contractual disputes between a customer and the originator of a direct debit. It's there to provide a customer with a full and immediate refund where an error is made in the payment of a direct debit by the originator, or the bank or building society. Also, a business can ask for more information to establish if there has been a payment error before making a refund under the direct debit guarantee.

The payment errors the direct debit guarantee generally refer to are where (for example) the payment date, amount or frequency has changed without a customer being told, or a payment has been set up in error or without the customer's permission. In this case Mr A says Santander have acted on a Direct Debit (DD) instruction that he hadn't authorised, so without his permission. He says he had no advance notice and wasn't aware of the DD as it was his brother who set up the DD when they were living at the same address.

I have considered Mr A's testimony, but as he will be aware, in order to set up a DD a customer has to give the payee authority to claim for the funds. While Santander hasn't been able to provide the DD instruction (due to the time that has passed) I have seen system notes that indicate the mandate was set up in Mr A's name and was set up on receipt of an instruction from the originating business (company V).

Mr A doesn't dispute this, but he has said it was his brother who used his details for the DD, without his consent. Therefore, Mr A says he didn't give his authority for the DD and

therefore ought to be able to claim under the DD indemnity scheme. As I have explained above I asked Santander to provide the original mandate it received but it no longer has the original document, which I don't think is unreasonable due to the passage of time. For obvious reasons, Mr A, hasn't been able to provide the original credit agreement between him and V (as he never entered the contract). As such I haven't been able to verify exactly what details Santander received. That said, I am satisfied Santander did receive a DD instruction from V in Mr A's name. And I don't think it was unreasonable for Santander to have actioned this request as Mr A's brother had access to Mr A's banking details, so Santander weren't to know this wasn't a genuine request from Mr A.

So, I have gone on to consider if Santander ought to have actioned Mr A's DD indemnity claim immediately. The DD has been in place for many years with over £10,000 worth of payments leaving the account. Mr A has said *"five/six years down the line I noticed the money had gone out the account, I had so much money in the account I never worried about DD"*. And while I appreciate Mr A's comments, I can't say I agree Santander did anything wrong. It's not Santander's role to manage the daily activity on Mr A's account. And given the period of time the DD was in place and the volume of payments which accumulated, I am persuaded Mr A ought to have been reasonably aware that the DD was in place. Therefore, if there was a dispute over whether the DD had been authorised by him, I think it's most likely Mr A would have raised it sooner. As such, I don't think it is unreasonable that Santander requested further evidence from Mr A before it was willing to action his DD indemnity claim as proceeding could lead to further detriment for Mr A.

Mr A has also raised concerns regarding the overall service he received over the telephone. I have taken Mr A's circumstances into consideration and thought very carefully about what Santander ought to do when dealing with vulnerable consumers. That said, I have also considered some of the comments Mr A made during the conversations at that time; and with that in mind I am of the opinion that Santander were prevented from being aware of Mr A's true circumstances (or the circumstances he has told our service he finds himself in). As such, I don't think it's fair to say Santander ought to have done anything differently. So, it follows, I won't be asking Santander to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 July 2023.

Jade Rowe
Ombudsman