

## **The complaint**

A partnership which I'll call 'C' complains that Northern Bank Limited (trading as 'Danske Bank') treated them unfairly when they amended a standing order which wasn't actioned correctly and then the bank didn't make them aware.

The complaint is brought on C's behalf by one of the partners, Mrs M.

## **What happened**

C held a business account with Danske Bank.

C told us:

- The set up a standing order ('STO') on 6 April 2022 for £323.40, the following day they amended this to £99.35.
- Around a week later, Danske reverted the STO back to £323.40 without notifying C. The partnership didn't notice the change until 12 August when they immediately deleted the STO to prevent further payments debiting their account.
- They complained to Danske who didn't uphold their complaint and said that the instruction to amend the STO was only temporary for one payment and would then return to the original amount.
- There hadn't been anything on the STO pages that said the change they had made was only temporary.
- The overpayments had been made to one of their employees, but as this was a bank error, they felt the bank should refund the extra £1,120.25 that had been paid plus 8% interest and then attempt to reclaim this.

Danske told us:

- There are two options available on its online STO system, one is to amend a specific STO transaction and the other is to amend the STO agreement itself.
- C had only amended a specific transaction, not the wider STO agreement which is why the payment reverted after one week.
- C would have been given a list of STO's set up on their account with the amounts and the date the next payment is due – so they would have seen that the higher payment would have been due the following week after they'd made the amendment.
- C had made the STO payments to one of their employees so they could pursue them for any extra payments that had been made.

Our investigator didn't recommend the complaint be upheld. She was satisfied based on the information that C had only amended one payment amount, rather than the STO itself. She also thought that if C was unclear about this that they could have contacted the bank and should have noticed sooner from their statements that the higher amount had been debited. The investigator said that it was reasonable to expect C to try and recover the funds directly from the beneficiary because it was their employee.

C didn't agree and asked for an ombudsman to review their complaint.

## **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've decided not to uphold it. I'll explain why.

C says that Danske has acted unfairly and that once they'd change the amount on the STO it should have stayed the same which is evidenced by the bank's terms and conditions. But I don't agree. I've looked at the Danske's STO terms and conditions which say the following, "[...] the standing order will continue until you advise us to cancel it" and I've looked at C's STO instruction and I can see that it did continue until the partners cancelled it on 12 August. So I'm satisfied that the STO agreement itself didn't cease, it was simply the amount of the instruction which changed. Therefore I'm not persuaded Danske didn't follow its agreed terms here.

Danske has told us that there are two parts to its STO system. One is for the STO agreement itself, and the other is for a STO transaction. It told us that when C amended the STO, they only edited the amount within the single transaction page – rather than amending the actual STO agreement. I've seen evidence from Danske which shows that when C amended its STO, they would have seen that there was no next payment date showing for the £99.35 as this was only a single payment change. So I think C ought reasonably to have been aware that this hadn't been a permanent change.

Furthermore, even if C didn't notice this when they made the change, I think it's reasonable to believe that the partners would have noticed the STO payment hadn't been changed either on the STO system when they logged in or from checking their bank statements – given that the amended amount was less than a third of what was being debited from their account.

However, even if I agreed that Danske had made a mistake – which I'm not persuaded is the case – it's not for me to fine or punish a business for making a mistake. And as a service we would expect a complainant to try and mitigate their losses. In this case, C has told us that the overpayment was made to one of their employees, who is aware that the amount they received was incorrect. However, it appears C has advised them not to return the funds, as they would seek repayment from Danske instead. But this isn't fair to Danske or the employee that may be pursued for the excess funds - and I wouldn't expect Danske to have to pursue C's employee when the partners can request the return of the funds directly with little or no cost.

I recognise that the partners will be disappointed with my decision. But based on everything I've seen, I don't think Danske has done anything wrong, so I won't be asking it 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 C to accept or reject my decision before 13 December 2023.

Jenny Lomax  
**Ombudsman**