

## **The complaint**

Mr G complains that Nationwide Building Society did not follow the Direct Debit Guarantee (DDG) procedures.

## **What happened**

Mr G says his energy supplier collected an incorrect amount of money from his Nationwide account. He says his energy supplier refused to refund the money immediately, and that it would be made within 7-10 working days, so Mr G contacted Nationwide for an immediate refund under the DDG, but he says Nationwide refused and they also refused to contact his energy supplier. Mr G made a complaint to Nationwide.

Nationwide did not uphold Mr G's complaint. They said as he'd already raised his concerns with the energy company by the time he contacted them, and the energy supplier agreed to make the refund to Mr G, there was no action for them to take, unless the refund wasn't made. They told him how he could raise a claim under the DDG in the future if he needed to. Nationwide noted Mr G was unhappy they didn't contact his energy supplier, with the aim of preventing this happening again, but they said this isn't a requirement of theirs under the DDG. Mr G brought his complaint to our service.

Our investigator did not uphold Mr G's complaint. He said prior to Mr G contacting Nationwide on 25 June 2023 to request a refund under the DDG, Mr G had already been in contact with his energy supplier, who had already agreed an error had occurred with the collection of the direct debit and they confirmed they were providing a refund. He said Nationwide explained they wouldn't process an indemnity claim given a refund had already been agreed with his energy supplier, but if they didn't refund the agreed amount then they'd raise a claim under the DDG. Our investigator said that given the circumstances, he was satisfied this was a fair approach.

Mr G asked for an ombudsman to review his complaint. He made a number of points. In summary, he said his energy supplier repeatedly refused to fully comply with the DDG, Nationwide refused to contact his energy supplier to ensure this didn't happen again, and this recently happened again as his energy supplier have breached the DDG again.

## **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.

Mr G has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I must make it clear to Mr G that I'm only able to consider the actions of Nationwide as part of this complaint. Mr G has raised several issues regarding his energy supplier, but as they do not fall under our jurisdiction, Mr G may wish to make a complaint to his energy company directly if he believes they have done anything wrong. If he is not happy with their response

then he may be able to bring his complaint to the Energy Ombudsman, which is a separate ombudsman service to our service.

Mr G has mentioned that a similar thing regarding the incorrect amount being collected has happened again. But here, I'm only able to investigate the complaint that he originally made to Nationwide and brought to our service. If Mr G wishes to make a complaint about the recent issue, he should contact Nationwide directly if he hasn't already done so, this is so they have the opportunity to address this first. If he is unsatisfied with their response then he may be able to bring this complaint to our service.

I've noted the strength of feeling that Mr G has that Nationwide should contact his energy supplier with the aim of preventing this from happening again. Nationwide have certain responsibilities they need to carry out under the DDG, but they have no requirement to reach out to companies with the aim of preventing a DDG breach again.

I've looked at the wording of the DDG. Under the section *"How do I get back any money paid in error?"* it says *"If you spot an error with your Direct Debit (perhaps the wrong amount was taken or it was debited on the wrong day), contact your bank or building society straightaway. It's the bank that is responsible for refunding you in the event of a mistake, even if the original error was made by the organisation collecting the payment"*.

Mr G did spot an error with the wrong amount being taken. But instead of contacting Nationwide who would have been able to process the refund under the DDG for him, he contacted the energy supplier first. As the wording above shows regarding the DDG, *"It's the bank that is responsible for refunding you in the event of a mistake, even if the original error was made by the organisation collecting the payment"*. The energy supplier wouldn't be able to raise a claim under the DDG with him as this is the role of Nationwide. Based on the email Mr G had with the energy supplier on 22 June 2023 they said *"I have arranged for the refund of the overpayment of £58.56 to be processed immediately. This should be back in your account within 7 to 10 working days."*

So as they had already told Mr G they arranged for the overpayment to be processed immediately, this is why when Mr G asked Nationwide to raise a claim under the DDG they told him that to avoid duplication they would instead support Mr G if the refund wasn't made. I'm persuaded that Nationwide were fair here.

I say this as Mr G didn't go to Nationwide first in line with the DDG. So when Nationwide were aware that the energy supplier had told Mr G they had processed the payment immediately and it should be back in his account within 7-10 working days, it would not be proportionate to raise a claim under the DDG as the energy supplier had processed the refund. It would be out of Nationwide's control over the energy company timescales for refunds.

So while I have a great deal of sympathy for the position Mr G found himself in here, I'm unable to say that Nationwide acted outside of how I would expect them to, based on the actions Mr G originally took. If a similar scenario occurs again, Mr G should contact his bank account provider in the first instance so they can raise a claim under the DDG, and he should be refunded in line with the DDG. But it follows I don't require Nationwide 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 G to accept or

reject my decision before 12 February 2024.

Gregory Sloanes  
**Ombudsman**