

## **The complaint**

Mr Y complains about how HSBC UK Bank Plc dealt with his Direct Debit Guarantee (DDG) refund request.

## **What happened**

Mr Y says he went to a HSBC branch with his son to cancel a direct debit for £50 which a business I will call "B" had incorrectly taken from his account. He says HSBC failed to refund his money immediately and incorrectly told him to raise a dispute with B. Mr Y says he was told to use telephone banking to obtain a refund/cancel the direct debit and was told to press buttons on a pad. He says HSBC was aware of his vulnerabilities and language issues, but it still discriminated against him. Mr Y would like £2,000 compensation for what took place and an apology.

HSBC says its staff were entitled to question Mr Y about the refund reasons and says the direct debit was cancelled. It accepts there may have been misunderstandings, and has offered £50 as a goodwill gesture. HSBC says it had to take Mr Y through the process and disputes how he says he was treated.

Mr Y brought his complaint to us, and our investigator didn't uphold it. The investigator thought HSBC was entitled to ask Mr Y about the refund request and that the direct debit was cancelled.

Mr Y doesn't accept that view and says he wasn't asked further questions about the request after being asked if he had disputed the direct debit with B. He says HSBC failed to comply with the DDG.

I asked both sides for further information.

Mr Y hasn't replied to that request.

HSBC says Mr Y wouldn't provide further information about the cancellation request when asked and says a DDG claim was made successfully which meant Mr Y received the £50 back.

## **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 have come to the overall view that I don't uphold this complaint.

The DDG is designed to protect payments made by direct debit and says a customer is entitled to a full refund by a bank if an error is made. It is intended to be used for situations for example, where an incorrect amount is taken or if a direct debit is taken on the wrong date. The DDG is not intended to be used to sort out contractual disputes.

So, I don't think HSBC would have made a mistake by asking Mr Y about the reasons for his

request and I would have expected it to have clarified with Mr Y if there was a dispute with B or if a mistake had been made. I appreciate Mr Y says he was only asked if he had disputed the direct debit with B, but HSBC says it tried to ask Mr Y questions about the circumstances. In any event I can see that Mr Y's direct debit was cancelled and he did receive the refunded payment which is the important point.

I appreciate both sides to this complaint give conflicting versions of what took place in branch which makes it difficult to be sure what took place. I also appreciate Mr Y questions why he needed to speak to HSBC's telephone banking department and questions why he was told to "press buttons" so that the direct debit could be cancelled. But I can't see what else HSBC could have done and can see that Mr Y's relative was present who didn't have any language issues. It is not our role to question HSBC's process in these circumstances as we are not its regulator. I have made clear the important point is that the direct debit was cancelled, and Mr Y received his refund.

Mr Y says HSBC breached the Equality Act 2010 and discriminated against him. I make clear to Mr Y that it would be for a court to decide if the Equality Act had been breached. And I have not seen any evidence Mr Y was treated differently or unfairly. I'm satisfied the direct debit was cancelled as Mr Y wanted and that he did receive his refund. I appreciate there were language barriers, but Mr Y's relative was present to assist him.

I can see Mr Y would like £2,000 compensation. I can't fairly order HSBC to pay that award for the reasons I have explained but, in any event, we would not make awards of that size even if this complaint was upheld as there was no financial loss and the £50 was refunded. If Mr Y wishes to accept HSBC's goodwill offer, then he should contact it.

Overall, I find this now brings an end to what we in trying to resolve this complaint informally can do. I appreciate Mr Y will be disappointed with my decision and will have unanswered questions that this service can't help him with.

### **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 Y to accept or reject my decision before 27 February 2024.

David Singh  
**Ombudsman**