

## **The complaint**

Mrs K and Mr M complain Barclays Bank UK PLC refused to raise a claim under the Direct Debit Guarantee (DDG). They don't believe it's treated them fairly.

## **What happened**

In July 2023 Mrs K and Mr M contacted Barclays to raise a claim under the DDG. They told Barclays this was to refund payments made in error.

Due to the length of time the direct debits had been paid from their account, Barclays asked for further information to show that an error had been made in relation to the payments and if they'd contacted the firm, what they had said. A questionnaire was sent on 19 July to Mrs K and Mr M to complete and return in this respect.

Mrs K and Mr M visited their branch shortly afterwards. They say they provided all relevant information, including the questionnaire and were led to believe their account would receive a refund. So, they were surprised to learn later that their claim had been cancelled.

Mrs K and Mr M complained, and Barclays investigated. It refuted it had received all relevant information. While it had got some information, it said due to this being a claim going back some time, it needed further details. Barclays said that if Mrs K and Mr M provided the details, they could send the information to it, and it would arrange to send it to the relevant team. But without it, it couldn't continue with the claim.

Mrs K and Mr M referred their complaint to us. In doing so, they said Barclays were acting beyond its powers, adding that if an error is made in the payment of the direct debit customers are entitled to a full and immediate refund of the amount paid. And that there is no obligation for them to explain further what the payment error is or provide any other information.

One of our investigators reviewed the complaint but he didn't think Barclays had acted unfairly. He explained the DDG was intended to deal payment errors and not contractual disputes. He noted Barclays had asked for more information, but there wasn't evidence to show sufficient information had been provided. He also said Barclays had no record of a second DD claim in July. So, in the circumstances, he didn't think it had done anything wrong in not taking the matter further.

Mrs K and Mr M didn't accept the investigator's outcome. They said Barclays had failed in their obligation to adhere to the DDG.

The complaint was put forward for a 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.

It's clear Mrs K and Mr M feel strongly about their complaint. I have read and considered everything that they have provided. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue. The relevant question is, was the bank wrong to decide not to take the claim further?

The DDG applies to all Direct Debits. It protects a customer in the rare event that there is an error in the payment of their direct debit, for instance if a payment is taken on the incorrect date, or the wrong amount is collected. But it cannot be used to address contractual disputes between a customer and the billing organisation.

The DDG enables account holders to receive an immediate refund from their bank in certain – but by no means all – circumstances. Most genuine errors in payments will usually come to light relatively quickly. Where that's the case, in most circumstances, I might expect a bank or building society to refund immediately. But where several years have elapsed without the payments being challenged, as is the case here, I'm persuaded that Barclays is not obliged to refund immediately and without question. I'm satisfied the details of the DDG I've highlighted above set out that the entitlement to an immediate refund isn't guaranteed. It requires that an error is made in the payment of the direct debit.

Mrs K and Mr M have said they weren't advised when the payment would be taken out and there was no signed mandate. But they haven't provided sufficient evidence that demonstrates that the payments they are now disputing were made in error. I've looked at the bank's questions and I don't think they are unreasonable, because where there has been a genuine error, you'd expect that such information is integral and will help with a claim.

During our investigator's review, Mrs K and Mr M told him that they had answered questions and submitted the questionnaire. I've reviewed the documents, but I can't see they have given the bank all the information it requested. Also, Mrs K and Mr M contend there is no need to provide information as they believe the refund should be immediate and without question, which doesn't support sufficient information has been given. Considering all these points together, I don't believe satisfactory information has been provided and so I don't think the bank's decision not to take the claim further was unreasonable in these circumstances.

Finally, there appears to be a dispute about whether two claims were instigated in July, but in the circumstances it's reasonable to think Barclays, Mrs K and Mr M's respective positions would be the same, in that Barclays would have asked for further information and it wouldn't have been provided.

I realise Mrs K and Mr M will be disappointed, but for the reasons I have given, I'm not going to ask Barclays to do anymore. This now brings to an end our consideration of this complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr M to accept or reject my decision before 19 June 2024.

Sarita Taylor  
**Ombudsman**

