

## The complaint

Mr M complains that Barclays Bank UK PLC rejected his claim for a refund of payments he had made under the direct debit guarantee.

## What happened

In July 2023 Mr M contacted Barclays to raise a claim for a refund in respect of direct debits paid to a company, F, from August 2014. He was claiming more than £11,000 in back payments. Barclays sent him a questionnaire requesting his reasons for a refund. He responded in the questionnaire that *"payments were taken in breach of the terms and conditions of the DDI indemnity scheme"*. He further said in an accompanying letter that:

*"1 None of the direct debit instructions or mandates were executed following UK law. And  
2 None of the direct debits provided compliant advanced notice."*

Barclays said it was *"unable to ascertain the exact nature of the errors that have occurred and without supporting documentation to confirm"* it was *"unable to establish a correct returning reason afforded by the Direct Debit Scheme."* It subsequently elaborated that it hadn't been provided with enough evidence showing a failure by F to provide Mr M with advance notice prior to his payments being taken.

On referral to the Financial Ombudsman Service, Barclays also pointed out that payments had been taken from Mr M's account from 2014 of £150 a month which Mr M should have noticed. It had also asked Mr M to contact F to provide evidence of any correspondence with it. Mr M indicated that it had refused to cooperate.

Our Investigator reviewed Mr M's complaint but thought that Barclays had acted reasonably. He pointed out that the direct debit guarantee did say that missing the communication (advance notice of any debits) is not grounds for a refund.

Mr M did not agree, and the matter has been passed to me for an Ombudsman's consideration.

## 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.

The direct debit guarantee provides that:

***“If there is an error in the set up or collection of your Direct Debit, you are protected by the Direct Debit Guarantee.”*** (my emphasis).

This can lead to a refund of payments made. But this does mean that Barclays was entitled to request details from Mr M about the error he says was made in the setup of the direct debit. And whilst he says that no advance notice was given of any payments, Barclays was not satisfied that he had provided sufficient evidence of this. In any event, as our Investigator pointed out, the guarantee also says that:

*“Anyone who collects Direct Debits from you has to let you know, in advance, how much will be taken and when.....To note, missing the communication is not grounds for a refund.”*

So, even if Mr M was able to provide sufficient evidence that he had not been given the relevant advance notice, that is not grounds for a refund. Further, this was a historic claim for a refund of direct debits going back some nine years. The guarantee provides for a refund where a genuine error has been made but it is not absolute. And I think it right to question why Mr M wouldn't have noticed the payments going out of his account at the time, especially as they were around £150 a month. The guarantee advises that the customer:

*“should check your account regularly, including checking any new Direct Debits to ensure amounts and times of collection are correct.”*

And that (bearing in mind that the bank, not the service provider, has first liability to pay any refund):

*“Should there be a payment you don't recognise, you should contact your bank or building society immediately.”*

So I think that the fact that Mr M has made his claim after so many years does raise the question of whether there was a genuine error requiring Barclays to provide the refund. I think in the circumstances of this case that Barclays acted reasonably in questioning Mr M about the claim and whether an error had been made. And I'm not persuaded that Mr M has produced sufficient evidence to justify his claim.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 April 2024.

Ray Lawley  
**Ombudsman**