

The complaint

Mr A is unhappy that National Westminster Bank Plc (“NatWest”) allowed a direct debit to leave his account after he cancelled the direct debit instruction.

What happened

Mr A had a direct debit which was scheduled to be paid from his NatWest account on 24 August 2023. On 27 August 2023, with the 24 August direct debit still in the process of being paid, Mr A cancelled the direct debit instruction, with his intention being to prevent the completion of the direct debit that had been scheduled for 24 August. Mr A received a confirmation from NatWest which he believed confirmed that the 24 August direct debit would now not be paid. But the 24 August direct debit did then complete, with the payment amount leaving his account. Mr A wasn’t happy about this, so he raised a complaint.

NatWest responded to Mr A and explained that because Mr A had cancelled the direct debit instruction on 27 August, that the cancellation would apply to all direct debits that were scheduled after that date – which didn’t include the 24 August direct debit. Mr A wasn’t satisfied with NatWest’s response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel NatWest had acted unfairly in how they’d managed the situation and so didn’t uphold the complaint. Mr A remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Mr A’s dissatisfaction here appears to be based on his belief that a direct debit payment can be stopped in time that it takes that payment to be processed and complete. In this instance, this is the period from when the direct debit payment was scheduled – 24 August 2023 – to when it completed several days later.

However, Mr A’s belief that a direct debit payment can be stopped during this period is incorrect. Instead, once a direct debit payment process has begun, it cannot be stopped.

This means that once the process to make the direct debit payment from his account begun on 24 August 2023, that direct debit payment was always going to complete – so long as the available funds were present in his account, which they were.

Mr A has explained that he received a notice from NatWest when he cancelled the direct debit instruction on 27 August which he feels was a confirmation that the 24 August direct debit wouldn’t be paid. But I don’t feel that this was the case, and I note that statement Mr A refers to is as follows:

“If you are cancelling a Direct Debit up to 6 days before the payment, it may still show on your account on the day it was due to be debited.”

We will reject this payment and your balance will be corrected the following day...”

Mr A contends that he cancelled the direct debit instruction before the payment was completed, and so the above should apply. But the direct debit payment date is considered to be the date the payment is scheduled – in this instance, 24 August 2023. And Mr A didn't cancel the direct debit instruction up to six days before 24 August 2023. Instead, he cancelled the direct debit instruction three days after that date. And I'm therefore satisfied that Mr A's position in this regard is again based on an incorrect belief.

All of which means that I don't feel that NatWest have acted unfairly by processing the 24 August 2023 direct debit payment as Mr A contends. And this is because I'm satisfied that by requesting the cancellation of the direct debit instruction on 27 August 2023 – three days after the direct debit payment was scheduled – Mr A had simply cancelled the direct debit instruction too late for the cancellation to affect the completion of the 24 August payment. And it follows from this that I won't be upholding this complaint or instructing NatWest to take any further or alternative action here

Finally, Mr A has said he's unhappy with the standard of service he received from NatWest surrounding his complaint into this matter. However, my remit here is limited to considering the events about which Mr A has complained – the payment of the direct debit – and it isn't within my remit to consider how NatWest have handled his complaint about that matter.

This is because the remit of the Financial Ombudsman Service doesn't extend to complaints about how a business has handled a complaint. Because how a business handles a complaint – even a complaint about a regulated financial matter – isn't itself a regulated financial matter. And I haven't seen anything in how NatWest handled the processing of the 24 August direct debit payment itself that I would consider to be poor service.

I realise this won't be the outcome Mr A was wanting. But I hope he'll understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 April 2024.

Paul Cooper
Ombudsman