

The complaint

Mr G complains that Nationwide Building Society won't contact his energy supplier when they made an error with the direct debit they collected.

What happened

Mr G says that Nationwide allowed his energy supplier to take a direct debit from his account, which he felt they shouldn't have done, and this breached the DDG scheme. He says Nationwide aren't contacting his energy supplier for them to comply with the DDG scheme, which they should do as a minimum. Mr G made a complaint to Nationwide.

Nationwide did not uphold Mr G's complaint. They said when Mr G contacted them regarding a payment to his energy supplier on 18 September 2023, a refund claim under the DDG scheme was raised and the amount of £59.44 was back in his account the same day. They said they have previously explained their position regarding the DDG scheme, and they had nothing further to add on this point. Mr G brought his complaint to our service.

Our investigator did not uphold Mr G's complaint. He said the direct debit taken by the energy supplier in error was refunded by Nationwide on the same day, so there was no loss. He said Nationwide were responsible for refunding him in the event of a mistake that had been brought to their attention, even if the error was made by the energy supplier, and they promptly refunded the direct debit. Our investigator said that while Mr G believes Nationwide should contact the energy supplier with the aim of preventing errors, such as the one he's complained about, Nationwide is not required to liaise with, manage, monitor, or regulate the billing function of his energy supplier.

Mr G asked for an ombudsman to review his complaint. He made a number of points. In summary, he said Nationwide are not following the rules set by Bankers' Automated Clearing System (BACS)/Pay.UK. He said Nationwide has a legal obligation to prevent payments being taken which are effectively fraudulent, and he has to now check each month when a direct debit is due for collection that it is correct.

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.

Firstly, I'm aware that I've only summarised Mr G's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

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 shared with our service an email he received from the BACS service desk. This is dated 10 July 2023, and this is several months prior to the event he's complaining about here. But this email states *"please rest assured that we will be making further investigations into this issue in so far as they relate to non-compliance of our rules and standards"*. They told Mr G they wouldn't share their findings with him. But I want to assure Mr G that I have considered the relevant rules and regulations in deciding this complaint.

I've read everything Mr G has said about how Nationwide should contact his energy supplier. But Nationwide aren't required to reach out to companies with the aim of preventing a DDG breach again. As the agreement is between Mr G and his energy supplier, Nationwide would not be aware of how much should be collected from one month to another. So it would only be if Mr G informed Nationwide his energy company made an error that they would be aware of this. Nationwide are not required to regulate the billing function of his energy supplier including contacting them even if Mr G strongly believes they should be doing this.

On the DDG website, 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. So he contacted Nationwide about this, and Nationwide refunded the £59.44 direct debit under the DDG scheme on the same day it was taken when Mr G made them aware of this. So I'm satisfied that Nationwide fulfilled their duty under the DDG scheme here. Mr G has explained the inconvenience of him having to check his direct debits each month, and while I'm sympathetic to Mr G's experience with his energy supplier, I can't hold Nationwide responsible for the errors they have made with the payments they collected. So 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 5 April 2024.

Gregory Sloanes
Ombudsman