

## **The complaint**

Mr G complains Bank of Scotland plc, trading as “Halifax”, refuses to refund him for direct debit transactions he says he didn’t authorise.

## **What happened**

Mr G complains that he has been charged a monthly direct debit for over 11 years which he didn’t authorise. Mr G says he doesn’t hold a policy with the life insurance provider concerned and he never gave authority for the direct debit to be taken from his account. Mr G is also unhappy that he wasn’t given any notification of the increase in the direct debit amount. So, he says Halifax should refund him all the direct debit payments made.

Halifax says the direct debit instruction was passed to them from Mr G’s previous bank when he made the account switch. And it says it would’ve only added this to his account after being satisfied it was correctly set up on his previous account. Halifax also says it attempted to raise a direct debit indemnity on Mr G’s behalf, but it failed since this had been in place for over 11 years and so it’s likely Mr G had been aware of it for some time. Halifax says it won’t be refunding this money to Mr G and he should contact the policy provider for any disputes regarding the amounts charged.

Our investigator considered this complaint and decided not to uphold it. Mr G didn’t agree so the complaint has been passed to me 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.

All direct debit instructions are covered by the direct debit guarantee. If the bank, building society or originator has made a mistake, then the consumer is guaranteed a refund from their bank. The bank will then try to reclaim the money from the originator under the direct debit indemnity – but that claim might be challenged for several reasons. For example, evidence showing it was the consumer who set up the instruction or that proper notice of any changes was given.

Mr G disputes giving authority for the direct debit in dispute. The evidence I have shows this direct debit had been set up prior to February 2013 and had been moved across from Mr G’s previous bank to his Halifax account when he switched banks. I have not been provided the evidence that was used to make this switch, or the evidence of the initial direct debit mandate. But due to the time that’s passed, I am not surprised this evidence is no longer available. So, in the absence of this I must consider the evidence I do have to decide if I think it’s likely these direct debit transactions were authorised.

Mr G sent in a letter from the payee of the direct debit, the life insurance company. This letter is dated October 2015 and was sent to Mr G’s home address but is addressed to Mrs G – who I understand to be Mr G’s ex-wife. This outlines a policy in Mrs G’s name and records changes to the monthly direct debit amount. While I have listened to what Mr G says

about not having a policy in his name, this letter suggests his ex-wife has a policy in her name and it's likely the direct debits taken from Mr G's account relate to her policy. I've also seen a letter from Mr G's estate agent confirming a policy was taken out in Mrs G's name. So, I think it's likely Mrs G's policy was set up prior to 2013 and the payments were arranged to be taken from Mr G's account.

As stated, the payments had been debited monthly for over 11 years. And while Mr G says he doesn't check his account regularly I think it's likely he would've had to check his account at some point in the last 11 years. So, I think had he not agreed to these payments he would've raised this with Halifax sooner. In any case, Halifax attempted to raise an indemnity claim for Mr G in relation to these payments, but it failed on the basis that it was likely Mr G had knowledge of these payments and failure to raise this sooner suggested he consented to them. And in the absence of any stronger evidence to the contrary, I do agree.

Mr G says Halifax failed to inform him of the increase in the direct debit amounts over the years. However, a direct debit is a consumer's authority to allow an organisation to claim a varying amount of money, on a varying day from their account. It's also the consumer's instruction to their bank or building society to allow the payments to be taken. So, I don't think Halifax has done anything wrong in allowing the payer to take varying amounts, and I think it's more likely than not Halifax had the proper instructions to allow the payer to do so.

### **My final decision**

For all the reasons outlined above I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 April 2025.

Sienna Mahboobani  
**Ombudsman**