

The complaint

Mr S complains Halifax declined a claim he made under the direct debit guarantee. He wants Halifax to refund the payments which were the subject of his claim and he wants to know why his claim was rejected.

What happened

I summarised the background of this complaint in my provisional decision, which I have repeated for the purposes of this final decision.

- Mr S believes Halifax should have refunded 13 direct debit payments which debited his Halifax account over the course of 2020.
- Mr S says the payments were incorrectly taken in relation to a service plan he took out with a third-party business to cover a vehicle he owned. He says he cancelled the plan, after which no direct debits should have been taken.
- Mr S says he only noticed the payments when Halifax contacted him about a separate matter related to his mortgage. He says he didn't notice the payments due to their small size when compared to the other payments on his account and his account balance.
- Halifax refused to refund the payments under the direct debit guarantee. It finds it unusual that 13 payments were made before Mr S acted.

I provisionally decided not to uphold Mr S' complaint in December 2021. My findings were:

"Halifax can turn down a claim if it has reason to doubt it's valid.

Mr S says he failed to notice the payments leaving his account earlier than he did. But given 13 monthly payments were taken before he raised the claim, Halifax was entitled to question what had happened and not immediately refund the payments.

Halifax's web chat records from January 2021 show Mr S said he cancelled his service plan "when the service was not fit for purpose". He said he raised the matter with the service provider who admitted its error, but no refund followed. He also said the service provider blamed the pandemic for delays into looking into the matter.

But Mr S hasn't provided enough evidence to support his version of events. He says he spoke to the plan provider on the phone and has only provided a copy of an email which indicates the service provider didn't recognise the registration number of the vehicle the plan was presumably meant to cover. I haven't seen any further emails from Mr S to show his response to the provider or that he provided it with the information it needed to identify him. It's unusual Mr S has received no other written communication from the plan provider to show his complaint was or still is being investigated, particularly given how long ago the complaint was made. If Mr S is experiencing problems getting further information from the provider it's unfortunate, but Halifax is not responsible for this.

It's reasonable to expect Mr S to demonstrate that he cancelled his service plan and the direct debit mandate with the provider. After all, it's possible a contractual dispute exists between him and the provider, and it disagrees he is entitled to a refund. If this is the case, Mr S' claim under the direct debit guarantee fails.

On balance, there is insufficient evidence to show Mr S cancelled the service plan or to show no dispute exists between him and the plan provider regarding this matter. So, without further evidence, I find Halifax was entitled to question the validity of his claim and to refuse a refund."

Since I issued my provisional decision, Halifax responded to say it has nothing further for me to consider. Mr S has not responded and the deadline for him to respond has passed. So, I have proceeded to make a final decision based on the information I have.

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.

I have decided not to uphold Mr S' complaint for the same reasons I gave in my provisional decision. Those reasons are copied above and form my findings for this decision. I won't be directing Halifax to refund the payments Mr S disputes.

My final decision

I have decided not to uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 February 2022.

Liam King
Ombudsman