

## The complaint

Mr B complained that Barclays Bank UK PLC (Barclays) unfairly rejected his Direct Debit Indemnity claim.

## What happened

Mr B contacted Barclays in October 2021 to make a Direct Debit (DD) Indemnity claim under the DD Guarantee scheme. He claimed that an error had been made when setting up a DD in favour of Company 'A' in June 2017. Mr B says there is no signed mandate giving Barclays' authority to set up the payment, that he was never given notice that the DD instruction was set up, and he wasn't given a schedule of payments that would debit his account.

Barclays reviewed Mr B's claim and, on the evidence provided, they rejected Mr B's request for a refund under the DD guarantee scheme. Barclays didn't believe there was valid grounds for a claim under the scheme as the claim seemed to be a contractual dispute with the originator, Company A.

Unhappy with Barclays decision Mr B referred his complaint to our service. One of our investigators considered Mr B's complaint but he didn't think Barclays had treated Mr B unfairly by rejecting his claim. Based on the evidence he'd seen and in the absence of supporting evidence from Mr B, he found that Barclays hadn't made an error in accepting the DD mandate from the originators. The investigator advised Mr B to contact Company A to pursue the matter further.

Mr B rejected the investigator's findings and asked for a final decision as he disputed the existence of the DD mandate, or that there was an agreement signed by him. So, the case has been passed to me to consider

## 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 B has made some legal arguments when presenting his case to our service. We were set up as an informal and free alternative to the courts and, while we have regard for the law, we resolve *complaints* based on what we think is fair and reasonable in all the circumstances of the case.

Mr B has said that Barclays has made an error when setting up the DD in favour of Company A. So, I think it would be helpful if I first explain how a DD is set up.

To set up a DD, customers have to give the DD originator – in this case Company A, authority to claim funds from their bank account. So here, it's Company A that sets up the DD not Barclays. And Barclays has provided evidence that the mandate was set up by Company A using the AUDDIS system (Automated Direct Debit Instruction Service) in June

2017. Then it's the originator – Company A, that claims the DD from the customer's bank account. So, I'm satisfied that Barclays isn't responsible for setting up the DD.

Because DD's are set up using an automated system (as set out above), a DD Guarantee forms part of the agreement when a customer agrees to making payments using this method. On the DD website, the guarantee explains that:

*“The Direct Debit Guarantee applies to all Direct Debits. It protects you in the rare event that there is an error in the payment of your Direct Debit, for instance if a payment is taken on the incorrect date, or the wrong amount is collected. It cannot be used to address contractual disputes between you and the billing organisation.”*

This means if the originator makes a mistake with the amount claimed or the date its claimed, the customer can ask their bank to evoke the DD guarantee. And they do this by providing a refund of the DD.

But, in Mr B's case, prior to Mr B cancelling the DD and contacting Barclays to make the DD Indemnity claim in October 2021, Barclays has shown that the DD was claimed by Company A on 37 occasions since 2017. And Mr B hasn't questioned the amount or the date of the DD. Rather he is saying that he didn't sign a DD mandate and didn't enter an agreement with Company A. And that Barclays hasn't been able to provide a copy of a DD mandate with a 'wet' signature.

I've considered what Mr B has said. But I wouldn't expect Barclays to have a copy of the signed mandate, I'd expect this document to be held by the originator, Company A. Similarly, it was Company A's responsibility to provide Mr B with a schedule of payments.

As I've found that it's the originator who would hold the mandate, and because Mr B is disputing that he had a contract with Company A – for which he paid Company A for over three years, I'm satisfied that Mr B's claim is a dispute between him and Company A. Mr B's claim isn't a dispute about the mechanics of processing a DD payment, which is what the DD guarantee covers.

Mr B says Barclays has discriminated against him by not providing him with an immediate refund or upholding his DD indemnity claim. It's not our role to consider if Barclays breached the Equality Act 2010 – that's a matter for the courts. Our role is to decide what's fair and reasonable in all the circumstances.

In order to decide that, however, we have to take a number of things into account including relevant law and what we consider to be good industry practice at the time. So, although it's for the Courts to say whether or not Barclays have breached the Equality Act 2010, we're required to take the Equality Act 2010 into account, if it's relevant, amongst other things when deciding what is fair and reasonable in the circumstances of the complaint.

Our investigator asked Mr B to clarify how he felt he'd been discriminated against, the grounds on which he felt discriminated against and how it made him feel. Mr B has been clear on how it has made him feel but hasn't clarified which grounds he felt discriminated against. But from reading his correspondence, I feel it's an overwhelming feeling of him being treated unfairly. With that in mind I've considered what the bank has done, their policy and how it may have treated another customer in the same circumstances. Having done so, I'm satisfied Barclays followed their processes fairly and that any other customers in the same circumstances would've been treated the same. As such, I can't conclude Barclays has treated Mr B unfairly.

Overall, I'm satisfied Barclays have treated Mr B fairly. I know Mr B will be disappointed, but I'm not going to ask Barclays to take any further action in respect of this complaint.

**My final decision**

For the reasons set out above, I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 December 2022.

Helen Giles  
**Ombudsman**