

The complaint

Mr W complains TSB Bank plc (TSB) unfairly refused to refund direct debits he had cancelled.

What happened

Mr W says in December 2022 he cancelled his subscription with a TV and telecommunications provider (Y). Mr W says he contacted TSB in May 2023 as a number of direct debits from Y had been taken from his bank account, despite him cancelling his subscription. Mr W says TSB refused to refund him with these direct debits and simply told him to contact the provider directly.

Mr W says he is disabled, and TSB haven't provided him with any support and wants it to refund these direct debits.

TSB says the direct debits were taken by Y before Mr W cancelled the direct debit mandate. TSB says the majority of the direct debits presented were returned unpaid and letters were sent to Mr W, so he would have been aware of this. TSB says it suggested Mr W should contact Y directly given some time had passed since the direct debits had been taken from his account. TSB didn't feel it had made a mistake.

Mr W wasn't happy with TSB's response and referred the matter to this service.

The investigator looked at all the available information and partially upheld the complaint. The investigator agreed that TSB had previously advised Mr W it had returned direct debits unpaid and these would also have been evidenced on his bank statements, so he should have been aware at that time the direct debit was active. Additionally, the investigator agreed Mr W should have contacted TSB sooner than he did and could understand why TSB decided upon the outcome it did.

That said, the investigator felt TSB should have asked Mr W for further information to support his claim rather than simply referring him back to Y for a resolution. The investigator instructed TSB to pay Mr W £100 for the inconvenience this matter caused.

Mr W agreed with the investigator's view, but TSB didn't and asked for the matter to be referred 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.

Having done so, I will also be partially upholding this complaint and I will explain how I have come to my decision. I can understand it would have been confusing and upsetting for Mr W, having thought he'd cancelled his subscription with Y, to still have direct debits charged to his bank account. When looking at this complaint I will consider if TSB have done enough to help Mr W with his direct debit issues with Y.

The background to this complaint is well known to both parties so I won't repeat everything that's been said before, that's not to say I haven't considered everything – I have. It's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

Like the investigator, while TSB may feel Mr W should have been aware the direct debit to Y was active because of the bank statements he would have seen and letters regarding unpaid direct debits sent to him, that's not the main issue here. Here it seems TSB have told Mr W it couldn't undertake a direct debit indemnity refund, as he had taken too long to bring it to its attention and from the case notes I have seen, it then told him to take the matter up with Y directly.

While I understand the points TSB make here and it felt the claim wasn't valid, I'm not fully persuaded by this, as the time that had elapsed shouldn't be the sole reason why a direct debit indemnity claim couldn't be processed. Here, I would expect in these circumstances for TSB to ask Mr W for further information regarding his reasons behind his claim that the direct debits were taken incorrectly and then if it still felt it couldn't process the refund to fully explain this to Mr W, rather than simply telling him to speak with Y directly – but I can't see it did that here.

So here I'm satisfied TSB could have done more to explain to Mr W why it was unable to instigate a direct debit indemnity claim on his behalf. While TSB will be disappointed with my decision, I feel this is a fair outcome.

Putting things right

I instruct TSB Bank plc to pay Mr W £100 for the inconvenience caused.

My final decision

My final decision is that I uphold this complaint.

I instruct TSB Bank plc to pay Mr W £100 for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 April 2024.

Barry White
Ombudsman