

## **The complaint**

Miss J complains that, after an initial commitment, Barclays Bank UK PLC are refusing to provide a full and immediate refund of her direct debits which she believes is required under the Direct Debit Guarantee scheme.

## **What happened**

Miss J contacted Barclays to raise a direct debit indemnity claim for multiple payments from a loans company, called Company A, dating back to 2019.

Miss J says she's never had an account with Company A or given them permission to raise a direct debit and Barclays advised her that a full refund of the payments would be in her account imminently.

Miss J's complaint is that despite the above mentioned commitment, and having providing Barclays with all the necessary information, they won't provide an immediate refund as set out in the guarantee. Instead, she's being asked to complete a questionnaire form so Barclays can investigate her claim.

Miss J complained to Barclays, and they said the guarantee doesn't apply to every circumstance. Also, they considered it to be reasonable for them to request additional information where a claim is made over a prolonged period of time or where the value of the claim is high.

Miss J disagrees and requires an immediate refund without completing or signing Barclays' forms. So, she complained to our service, but our investigator considered Barclays' request to be fair and reasonable.

As Miss J remains dissatisfied, this case has now been referred to me to look at.

## **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'm not upholding this complaint and I'll explain why.

I first considered Miss J's interpretation of the Direct Debit Guarantee scheme which is:

- *'The guarantee is very clear when it states 'if an error is made by the organisation or your bank or building society, you are guaranteed a full and immediate refund from your branch of the amount paid'*
- *'Where an error in direct debits is concerned, the 'full and immediate refund' is not subject to Barclays individual protocol or processes or Barclays opinion on whether or not they feel the error falls within the scope or not'*

Although I can understand Miss J's interpretation here, that the scheme guarantees an automatic and immediate refund and is unambiguous, I don't consider the right to a refund to be absolute or that a claimant is entitled to a refund prior to an investigation.

I consider the direct debit guarantee to be for clear administrative errors and not a means of recovering historic payments. The scheme is to protect customers if there's a genuine error in the payment of a direct debit. That may well be the case here, but because of a combination of the following factors, I don't think Barclays are either being unfair or unreasonable by asking Miss J to complete and sign their questionnaire:

- Barclays would be recovering the funds on behalf of Miss J.
- The guarantee refers to 'if an error is made' and it isn't clear that an error has been made here. This is because:
  - The claim goes back to 2019
  - It is for multiple payments and a high amount
  - Despite the above it has only been noticed several years later
  - Although Miss J states the transactions are errors, she also says she hasn't had any dealings with Company A.

These factors, separately or combined, are unusual and could be indicators of a contractual dispute or issue such as fraudulent transactions, for which the scheme isn't intended. So, they don't appear to be clear administrative errors.

I recognise Miss J feels strongly that the payments are clear errors and has given a verbal explanation but, in the following, recognises that her claim hasn't been rejected:

*'The claim was not rejected; the status was that further information was required to initiate the investigation'*

So, it isn't that Barclays aren't willing to receive and consider her claim. They're just asking Miss J to complete and sign their questionnaire form so they can fully consider a claim that is unusual and / or complex. Also, as Miss J has a postal issue, they're willing to receive this by email. So, I'm satisfied that Barclays are being fair and helping Miss J with her direct debit concerns.

Regarding Miss J's statement that Barclays informed her:

*'That the claim had been accepted into the system and advised me that a full refund of the transactions taken in error would be in my account imminently on Monday 5<sup>th</sup> June'.*

As Barclays dispute that they made such a commitment, I requested the call recordings. Having listened to these I didn't hear this being communicated.

On the calls, the representative's found Miss J's requests to be unusual. This is because they were multiple historic claims relating to two companies and, as Miss J said she hadn't had any accounts or dealings with either company, the first representative thought that a possible fraud needed to be investigated. However, Miss J appeared to think this wasn't the case and pressed for an immediate refund under the Direct Debit Guarantee scheme. The first representative took details but informed her that the process was neither automatic or immediate and would need to be investigated on completion of a questionnaire. The second representative questioned why Miss J had taken so long to notice the transactions and explained the same process.

So, having considered the above and all the information on file, I'm not upholding this complaint. I think it both fair and reasonable for Barclays to ask Miss J to complete and sign

a questionnaire which enables them to investigate and fully consider all the circumstances prior to requesting or processing any refunds.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 21 March 2024.

Paul Douglas  
**Ombudsman**