

## **The complaint**

Mrs A has complained Bank of Scotland plc, trading as Halifax, didn't refund numerous direct debit payments which she didn't believe she authorised.

## **What happened**

In September 2023 Mrs A noticed monthly direct debit payments made to an insurance company (who I'll call R). She tried to call them to find out what these were but without success.

She raised a direct debit claim with Halifax telling them these payments had been collected from her account since 2015 without her authorisation. Halifax believed Mrs A was complaining about a direct debit indemnity claim raised in 2015 but couldn't locate this. Mrs A had to speak to Halifax on numerous occasions to sort this out.

Halifax confirmed they wouldn't be refunding Mrs A and gave her £30 compensation for the delays. Mrs A brought her complaint to the ombudsman service.

Our investigator believed Halifax had not done enough after various calls from Mrs A to clarify her complaint. He asked them to pay Mrs A £120.

Halifax agreed to do this but Mrs A remained upset that she wasn't being refunded for transactions she didn't believe she'd authorised.

Mrs A's complaint has been referred to an ombudsman for 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've reached the same outcome as our investigator. I'll explain why.

Firstly I'll deal with the direct debit transactions. Mrs A has been making monthly payments of £13.72 and as these were relatively small amounts, she hadn't noticed them until 2023. When she did, she didn't think she'd authorised these and asked Halifax to refund her for eight years' worth of direct debit transactions.

I'm aware that Mrs A was having a difficult time around the period these payments started so understandably may not recall authorising these transactions. Our investigator found out these related to an insurance policy in Mrs A's name held with a brand that comes under R's overall umbrella but does hold another name. This could certainly explain why Mrs A didn't recognise the payments being collected by R.

However I'm also aware from Halifax's customer notes that Mrs A has raised other disputed direct debits or payments over the last few years (also for small amounts) so I believe she was reviewing her customer statements on a regular basis and am surprised therefore it took her so long to notice these.

It would be unusual for a third party to set up a direct debit payment on an account that wasn't theirs – particularly for something like insurance where payments were made on a monthly basis. Overall I think it's most likely Mrs A did originally set up the direct debit arrangement, so I won't be asking Halifax to do anything further with her direct debit claim. Halifax has now cancelled the payment arrangement on her behalf.

However like our investigator I note Halifax misunderstood the nature of Mrs A's first complaint. This led her to make many calls to them to try to sort issues out. I can imagine this was frustrating and upsetting in equal measure.

### **Putting things right**

Based on the distress caused to Mrs A, I agree that Halifax need to pay her more compensation. Overall I think £150 would be fair and reasonable based on the impact on Mrs A. I'm aware Halifax has already paid her £30 so will be asking them to pay her a further £120.

### **My final decision**

For the reasons given, my final decision is to instruct Bank of Scotland plc, trading as Halifax, to pay Mrs A £120 in compensation.

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

Sandra Quinn  
**Ombudsman**