

The complaint

Mr O complains that The Royal Bank of Scotland Plc (RBS) cancelled a direct debit by mistake, leading to additional costs and inconvenience.

What happened

Mr O has a bank account with RBS. After Mr O's vehicle was written off, his insurance company increased his monthly premium for the new vehicle. Mr O says he cancelled the original direct debit for the lower premium but RBS also cancelled the new direct debit for the higher premium. This meant that his insurance premium was returned as unpaid.

After RBS reinstated the direct debit, Mr O's insurance company charged him a cancellation and reinstatement fee together with the missing monthly direct debit amount.

Mr O asked RBS to refund the fees and pay compensation for the inconvenience caused. RBS said that Mr O cancelled the direct debit online so it had not done anything wrong when the payment did not go out.

Our investigator did not think RBS made a mistake. She said evidence supplied by RBS showed that Mr O logged in to his account online to cancel two direct debits on 17 October 2023. Our investigator noted that the insurance company later refunded the two fees meaning Mr O did not lose out financially.

Mr O disagrees with the investigation outcome. He says he did not cancel the second direct debit by mistake. Mr O says he still out of pocket by over £56 for the insurance premium.

As Mr O disagrees with the investigation outcome, the complaint has come to me to make 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.

I appreciate Mr O doesn't think that he cancelled both direct debits in favour of the insurance company. However, the evidence that RBS has supplied shows that Mr O used his online banking service to cancel two direct debits on 17 October 2023 within a minute of each other. This makes it difficult for me to find that the direct debit was returned due to a mistake made by RBS.

Even if I had upheld Mr O's complaint – I can see that the insurance company refunded the two charges that it applied. So, Mr O was not left out of pocket. Although Mr O says he had to pay the insurance premium again, it looks from Mr O's bank statements as though the insurance company took the payment that had originally been declined in October 2023 and then the next month's premium within a week of each other. It may have been inconvenient to have two payments debit close together. But I don't think this means Mr O paid more than he would have if he had not cancelled the direct debit in the first place.

As I don't find RBS made a mistake, I don't require it to compensate Mr O for any inconvenience.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 1 April 2024.

Gemma Bowen
Ombudsman