

The complaint

Mr R is unhappy with Nationwide Building Society's handling of his direct debit claims. Mr R said during telephone calls Nationwide were rude to him and discriminated against him.

What happened

Mr R made claims through Nationwide under the direct debit indemnity scheme. Nationwide refunded the money to Mr R while it checked with the company (S) who had taken the direct debits originally.

S responded and confirmed it had correctly taken the payments, for the right amounts. S confirmed Mr R had originally authorised the payments and there hadn't been any errors in collection. Nationwide wrote to Mr R to confirm that the payments had originally been correctly collected. It confirmed it would be taking the money refunded into his account back out. It also confirmed the amounts involved, and the dates this would happen.

Mr R was unhappy with this. As agreement couldn't be reached, he brought his complaint to this service.

Our investigator didn't uphold the complaint. She said Nationwide had correctly followed the direct debit indemnity process. She said Nationwide refunded Mr R immediately when he made the claim. But once Nationwide had checked with S it updated Mr R about this. It confirmed it would be taking the money back and when it would do it. It said the refund Mr R had claimed didn't apply and S had been entitled to the money. It confirmed Mr R could go back to S if he still wished to dispute the payments. Our investigator said this was a fair and reasonable outcome. Regarding the discrimination point she said she had listened to the calls and there was no evidence of any discrimination towards Mr R.

Mr R remained unhappy and asked for his complaint to be passed 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.

Mr R told us he shouldn't have been paying the direct debits to S and that he's entitled to a refund. He said Nationwide were right to refund him the money but then wrong to take it back again. He said Nationwide need to give him back the money.

Mr R said it's nothing to do with S and he doesn't need to deal with S. It's just Nationwide he's interested in, and it was wrong to take the money back from him.

Mr R said Nationwide had acted illegally and was in breach of contract.

Nationwide said in its final response letter *"I can't agree we've done anything wrong as I've reviewed the evidence received from the merchant S and can see we've correctly declined your claim and re-debited the funds after writing to you about this."*

Nationwide said in its investigation notes *"This claim is due to be re-debited as the company have provided valid evidence which confirms the member had received advance notice for this payment and therefore this is not a valid indemnity claim."* Nationwide concluded *"I have checked the evidence and can see the member was correctly charged and we made the correct decision with the re-debit."*

Nationwide concluded *"If the member is unhappy with the decision, then they will need to take this up directly with the company."* And it said it provided a letter and evidence to Mr R to confirm these details.

Nationwide also said it didn't agree that one of its call handlers had handled Mr R's call incorrectly. It said it took a statement from the call handler as there was no recording available and the call handler did nothing wrong.

Based on the evidence I've seen I don't think Nationwide has acted unfairly or unreasonably in this case.

I think Nationwide has correctly followed the direct debit indemnity scheme. It dealt with Mr R's requests to make the claims and in line with the process it refunded him immediately. This was based on Mr R's belief that the amounts paid out were unauthorised. Nationwide then investigated the payments.

During this investigation S declined the claim and updated Nationwide that Mr R had authorised the direct debit payments. S said it had sent Mr R notifications of the amounts that would be taken by direct debit via monthly bills for gas and electricity he used. S said no errors had been made around the payments taken from Mr R's account, the payments weren't disputed, and Mr R had been notified in advance. Nationwide acted on this evidence from S to take back the refunded amounts from Mr R's account. But Nationwide did write to Mr R to confirm that his claim was unsuccessful, that it was going to take back the money and it confirmed how much would be taken back and when this would be done. No errors were made regarding the amounts taken back.

The direct debit guarantee makes sure that customers have protection for when things go wrong, and when unauthorised payments are taken from their accounts. But in this case S has shown that the payments were authorised. So, although I understand Mr R's point that he doesn't feel he needs to contact S, I don't think Nationwide did anything wrong when it suggested it. Nationwide has acted fairly and reasonably in the way it has handled Mr R's request. Under the terms of the direct debit scheme Nationwide was entitled to take back the refunds.

Mr R also said Nationwide discriminated against him during his phone calls. I've listened to all the calls sent to this service in evidence as part of Mr R's complaint. I think Nationwide call handlers acted fairly and reasonably throughout all the calls and I didn't hear Mr R being treated any differently to any other customer. I think Nationwide staff acted courteously and respectfully throughout.

What I did note was that Mr R made this service aware of some particular needs of his during his complaint with this service. But when this service checked with Nationwide it was unaware of this. Nationwide should be able to accommodate any further requirements Mr R needs so he may want to update Nationwide.

My final decision

I don't uphold this complaint.

I make no award against Nationwide Building Society.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 September 2024.

John Quinlan
Ombudsman