

## The complaint

Mr S complains that Sainsbury's Bank Plc made an error when amending a direct debit taken from his current account.

## What happened

On 14 August 2023, Mr S called Sainsbury's to establish the prospect of changing the date for his direct debit for the minimum amount owed to his Sainsbury's credit card account, due to be collected from his current account, from 29 September 2023 to the 20 September 2023. Mr S says he was assured his direct debit for August 2023 would remain unchanged.

On 29 August 2023, Sainsbury's collected the £30.93 minimum repayment. But it also emailed Mr S to say it hadn't received this payment and his credit card account was now £30.93 in arrears. On the same day, Sainsbury's had also sent Mr S text messages asking him to contact it urgently. Mr S spoke to two staff members at Sainsbury's. During these calls, Mr S was made aware Sainsbury's would try to take a double payment in September. Mr S was told he could either make that double payment or he could cancel the direct debit and make a manual payment. Mr S complained about what had happened.

On 30 August 2023, Mr S called Sainsbury's. He was told his August payment was received the day before and no late charges had been applied. Mr S made a point that Sainsbury's email on 29 August 2023 was sent at 2pm, telling him his payment was late, when he still had hours left of the day to make the required payment.

On 31 August 2023, Sainsbury's called Mr S to discuss his complaint. He was given the option of resetting the direct debit (by cancelling it and setting up a new one) or Sainsbury's would cover the additional double payment if it would be unaffordable for Mr S. Sainsbury's also confirmed no charges had been applied to Mr S's account. Sainsbury's asked if it could close Mr S's complaint and he said no. Mr S asked for a written response to his complaint and Sainsbury's confirmed it would respond in writing.

In its final response of 11 September 2023, Sainsbury's said:

- Sainsbury's had given Mr S incorrect information about August's credit card payment.
- An error had occurred in its systems, meaning its systems would take double the £30.93 minimum payment for September, totalling £61.68, on 20 September 2023.
- To avoid the double payment, Mr S would need to reset the direct debit. Alternatively, Sainsbury's offered Mr S £31 to cover the difference between what his minimum payment owed on the credit card should be and what it was due to collect.

On 20 September 2023, Sainsbury's collected £61.68 from Mr S's current account, which he says it did without his authorisation or agreement.

Mr S referred his complaint about Sainsbury's to our Service. Mr S gave examples of the incorrect information given to him, which caused him considerable distress, alarm and anguish. Mr S said Sainsbury's failed to acknowledge it had complied with its regulatory

standards and duty of care. Mr S said he required £500 compensation in addition to a refund of the additional £30.93 Sainsbury's debited from his account on 20 September 2023.

Our Investigator contacted Sainsbury's for more information and it confirmed no fees or charges were applied as a result of its error and no detrimental information was recorded on Mr S's credit file. Having considered the evidence from both parties, our Investigator said Sainsbury's agreed it had made an error with the direct debit but this caused Mr S no financial loss. However, our Investigator thought Sainsbury's should pay Mr S an additional £100 compensation, bringing the total to £150 compensation, to recognise the distress and inconvenience caused by its error.

Sainsbury's accepted our Investigator's opinion but Mr S did not. In summary, Mr S said our Investigator should have listened to his call with Sainsbury's on 14 August 2023 and had not investigated his complaint thoroughly.

### **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr S says Sainsbury's has failed to meet its regulatory obligations and the Direct Debit Guarantee. Mr S has also complained about Sainsbury's processes and records. It might be helpful to clarify that only the regulator, the Financial Conduct Authority, has the power to punish Sainsbury's for any regulatory failings or compel it to change its systems and processes.

My role here is to consider whether Sainsbury's has made any error and, if it has, decide how Sainsbury's should compensate Mr S. In doing so, I note Mr S has outlined the events here in considerable detail. I have considered carefully everything both parties have sent us. But I've not responded to every point Mr S has made. I hope Mr S accepts I mean no disrespect by this – the Financial Ombudsman Service is an informal dispute resolution service. So, I have focused on what I consider to be the crux of Mr S's complaint – that Sainsbury's made an error with Mr S's direct debit for his credit card account that caused him to receive incorrect information from 29 August 2023 and a double payment to be taken via direct debit in September 2023.

Here, Sainsbury's has admitted it made an error with amending Mr S's direct debit. I don't need to establish why Sainsbury's made an error. I don't think it would be helpful to listen to Mr S's call with Sainsbury's on 14 August 2023 as it is not in dispute that Sainsbury's made an error – my role is to decide how it should put things right.

Sainsbury's error has caused it to take incorrect payments from Mr S's current account. I have considered whether this has caused Mr S any financial loss. I think Sainsbury's gave Mr S reasonable notice he would need to reset his direct debit to avoid an additional £31.00 to be taken from his current account on 20 September 2023. Mr S was unhappy he needed to reset his direct debit, but I cannot compel Sainsbury's to change its processes. Sainsbury's says the reset was required and I think it gave him a reasonable notice period to do so. Sainsbury's also offered to cover the £31.00 additional payment that was taken on 20 September 2023 as an alternative. This payment has come off the balance owed to Mr S's credit card account, so he has not experienced a financial loss overall. However, I accept he lost the use of the £30.93 additional payment taken from his current account. So, I think the offer in Sainsbury's final response to refund the £31.00 was fair and it should pay this to Mr S if it has not already done so.

Since September 2023, it appears Sainsbury's has not taken any further double payments

for Mr S's credit card account from his current account, and I can see no record of charges or interest on Mr S's statement as a result of the error, so it appears no additional loss occurred.

I accept this matter has caused Mr S some distress and inconvenience – he is clearly very disappointed with Sainsbury's and wants £500 compensation. So, I have considered what I think Sainsbury's should pay to fairly and reasonably recognise the distress and inconvenience it caused Mr S.

Here, Mr S was notified of a problem on 29 August 2023. Mr S was told shortly afterwards that his August payment had been received and there was no charge applied. On 30 August 2023, Mr S was given a reference for his complaint and was told his payment had been received and no charge applied. Mr S spoke to Sainsbury's again on 31 August 2023, so I think he was aware his complaint was being escalated even if it had not yet sent a written acknowledgement of his complaint.

I recognise this direct debit issue would have caused Mr S some inconvenience, but I think he was given reasonable notice about how to avoid the double payment being taken. Before September's payment was taken, Mr S was made aware Sainsbury's would cover the additional double payment if he did not want to reset the direct debit. Mr S chose not to reset the direct debit, so I think it is unlikely the double payment was likely to have a significant financial impact on him.

Mr S did not want to reset the direct debit and was frustrated the error had occurred in the first place. Errors do occur from time to time and cause a degree of inconvenience. I do not think the error that occurred here, with no financial impact and limited inconvenience, warrants the £500 compensation Mr S is requesting.

Having listened to Mr S's calls with Sainsbury's, it's clear he's distressed by the error, Sainsbury's communications, and its complaint handling. I do think, however, Sainsbury's took steps within a reasonable timeframe to sort things out. Mr S has taken issue with Sainsbury's final response and its complaints process. I cannot compel Sainsbury's to give a more detailed explanation about why the error occurred or change its processes to avoid the same mistake happening again. I think Sainsbury's gave Mr S a reasonable explanation of what happened and reasonable options to avoid any further impact on him – both over the phone and in its final response. Overall, I think Sainsbury's handled the complaint in a reasonable timeframe and communicated with Mr S regularly about the progress of his complaint.

For the reasons explained above, I agree with our Investigator that £150 fairly recognises the distress and inconvenience caused by this issue. I realise my decision will likely disappoint Mr S. But as I have explained above, it is not my role to punish Sainsbury's so I cannot award compensation simply to punish Sainsbury's for its mistake (which I think it took steps to resolve within a reasonable timeframe).

## **Putting things right**

If it has not already done so, Sainsbury's should:

- Pay Mr S £31 to cover the additional £30.93 debited on 20 September 2023.
- Pay Mr S total compensation of £150 to recognise Mr S's distress and inconvenience.

## **My final decision**

For the reasons explained above, I uphold this complaint and require Sainsbury's Bank Plc to do what I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 October 2024.

Victoria Blackwood  
**Ombudsman**