

The complaint

Mr H complains about how Nationwide Building Society dealt with a direct debit payment.

What happened

Mr H says he switched his bank account to Nationwide in around October 2023 which included a direct debit to his mobile telephone provider I will call "T". He says he received a letter from T in early 2024 telling him a direct debit payment of £11 had failed and a late payment marker had been registered on his credit file. Mr H says he hasn't made a mistake and would like the adverse information removed from his credit file.

Nationwide says one direct debit was in place when the account switch took place, and its records show a payment was made to T on 1 November 2023, but that direct debit was cancelled on 8 January 2024. It says a further direct debit was set up on 2 November 2023 and cancelled by Mr H on 26 November 2023. In summary Nationwide says it hasn't made an error about this issue but accepts giving Mr H misleading information for which it's paid £50 compensation.

Mr H brought his complaint to us, and our investigator didn't uphold the complaint. The investigator explained that T had registered the late payment not Nationwide. The investigator thought the compensation appropriate for that part of the complaint and thought the direct debits operated until cancelled which Nationwide was not responsible for.

Mr H doesn't accept that view. In summary he says either Nationwide or T is at fault and a direct debit was set up by Nationwide without his authorisation. He questions if the direct debit was correctly transferred and why the active direct debit was not used to take the payment.

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 have come to the overall view that I don't uphold this complaint. I also make clear to Mr H that I can only consider the complaint against Nationwide, and I can't consider any complaint against T which was responsible for registering the adverse information on Mr H's credit file. I hope Mr H appreciates that even if I upheld this complaint, I couldn't direct Nationwide remove that information as it didn't register it.

I have looked carefully at Nationwide's records and the information Mr H has provided. I am satisfied that the direct debit for T must have successfully been set up as I can see a payment was made to T for £11 on 1 November 2023. So, I don't think the switch process failed as Mr H suggests may have happened and make clear I am satisfied only one direct debit for T was transferred as part of that switch process.

I appreciate Nationwide gave conflicting information about that point to Mr H and I also accept that its final response letter provided no explanation about what took place. I

understand Mr H's frustrations in those circumstances, and I would have expected Nationwide to have explained to Mr H what had taken place. I accept that isn't the main part of this complaint and I am satisfied Nationwide has paid a fair and reasonable compensation award for that limited part of the complaint.

The key issue is the missed payment to T. I have looked at the available records and I think on balance that T tried to take a payment from Nationwide, but the direct debit had been cancelled by Mr H some days before. I say that as Nationwide's records show the direct debit in question was cancelled by Mr H on 26 November 2023 and other records show T tried to take a payment some days later. I am sure Mr H appreciates that I can't fairly hold Nationwide responsible for T's actions in attempting a direct debit payment when he had cancelled it or which direct debit mandate T used. I also don't think Mr H has explained if T made any contact with him about the missed payments before the adverse information was recorded on his credit file but in any event, those are matters for him to raise with T.

I appreciate that Mr H may have unanswered questions about why there were two direct debits set up. Those are questions that T would have to answer, and I have not seen any evidence that Nationwide made a mistake here. I think it unlikely that Nationwide could have set up a direct debit without T's or Mr H's instructions.

Overall, I have not seen any evidence that Nationwide made a mistake here in either the switch process or in following Mr H's instructions in cancelling both direct debits. In any event I have made clear that I can't fairly direct Nationwide to remove adverse information from Mr H's credit file when it wasn't responsible for registering it. It follows that I can't fairly direct Nationwide to do anything further in the circumstances of this complaint and find this now brings an end to what we in trying to resolve this dispute informally can do.

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 H to accept or reject my decision before 18 July 2024.

David Singh
Ombudsman