

The complaint

Mr G complains that Bank of Scotland plc trading as Halifax ("Halifax") failed to refund historic direct debits.

What happened

In late 2023, Mr G raised several claims for refunds relating to numerous direct debits taken from his account between 2006 and 2014. Mr G made several arguments relating to the direct debits, believing they were either unauthorised, fraudulent, the wrong amount was taken, or he wasn't advised about the change of the direct debit amount. Mr G wanted to see the original agreement to set up the direct debit.

Halifax assessed Mr G's various claims and didn't think it was appropriate to pursue them. They declined to make a refund under the direct debit guarantee. They advised Mr G to contact the organisation who took the payment and raise the issue with them.

Mr G didn't agree with Halifax's decision and made a complaint about their handling of his claim. Halifax completed an investigation into how they'd considered Mr G's claims and declined his complaint. They wrote to Mr G about the conclusion of their complaint process. Mr G was unhappy with the response he received, so Halifax issued a second response, apologising for the lack of detail in their first letter. They explained they were declining his claim because:

- The direct debits had taken place over 16 years ago.
- It wasn't unreasonable to assume Mr G could have raised them earlier.
- Halifax weren't required to contact the organisation if they felt they had enough information to decline the claim.
- Other claims used different/conflicting reasons and were similarly declined.

Mr G was left unhappy with Halifax's handling of his claim and brought his complaint to the Financial Ombudsman Service for an independent review where it was assigned to an investigator. Both parties were asked for information about the issue and Mr G confirmed that he'd attempted to make claims for direct debits he felt fell under the direct debit guarantee. Mr G also stated that he hadn't set the direct debit up, he disputed signing an authority and wanted to see the signature.

Mr G also said he hadn't received notification of any changes to the amounts were wrong and there was an issue with the name of the company. Mr G confirmed he's attempted to obtain information from the organisation, but they'd so far failed to respond to his enquiry.

Halifax provided details of their investigation into the direct debit claim, including a system note showing Mr G cancelled the direct debit in 2014.

After reviewing the evidence provided by both parties, the investigator concluded that Halifax

had acted fairly and didn't uphold Mr G's complaint. The investigator commented that:

- Mr G regularly accessed his online banking and it's not unreasonable to expect him to have noticed the issue sooner.
- Mr G's gave conflicting reasons for making his claims.
- Given the time that's passed, it's not unreasonable for Halifax to have declined the claim.

Mr G disagreed with the investigator's outcome and asked for a further review of his complaint. He made further comments:

- Mr G wanted to see the direct debit mandate – but he didn't believe he was responsible.
- He was prepared to go to court.
- He believed the direct debit guarantee had been misread.
- Mr G introduced statements concerning his status as a person and that the organisation was a fictitious entity.

As no agreement could be reached, the complaint has now been passed to me for a decision.

As part of my own investigation, I noted that the issue of whether the complaint was eligible or not hadn't been fully considered. Here, the last payment claimed by Mr G was in 2014 and likely exceeded the rules governing whether a complaint can be brought – a maximum of six years after the event or three years after the customer first became aware (or should have been aware) of the issue. In these circumstances, a business has to provide consent for our service to consider the complaint. Halifax have now done so and are content for the complaint to continue.

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've considered the issue of jurisdiction and given that Halifax have provided consent for the complaint to continue, I'm satisfied I can issue a decision.

Mr G's (various) claims under the direct debit guarantee relate to historic transactions taken from his account. I noted that in 2014 he cancelled them and it's unfortunate that he didn't raise the issue around that time as that would have allowed a more comprehensive review of the situation and enabled all parties to review the evidence.

Given that he didn't, I have to consider whether it's reasonable for Halifax to approach the issue in the way they did. They've argued that the main reason for not providing a refund is due to the time that's passed. Halifax have an obligation to retain documents for certain periods but given the length of time that's passed since the last direct debit, I don't think it would be fair to expect them to have all the paperwork related to Mr G's account. Also, depending on how the direct debit was set up, the authorisation for it would be with the organisation, who would then inform Halifax that they had consent from Mr G to set up the direct debit. That may have been by paper signature or by electronic means.

Mr G has raised several different points relating to the guarantee, from not authorising it to

not being told about changes to the amounts. I had some difficulty imagining how, if Mr G hadn't authorised it in the first place, he could expect to then be told about the changes to it. If Mr G hadn't authorised the original direct debit, he had the opportunity in 2014 to raise this as an unauthorised dispute and I'm surprised he didn't do so at the time. By cancelling the direct debit, it's apparent he was aware of it and would likely know if he originally authorised it or not. That he didn't, supports the notion that he did indeed authorise it, otherwise Halifax would have had some difficulty setting up the direct debit in the first place because the information needed to do so comes from the organisation (the TV licensing authority) that raised the direct debit.

In this case, I do think that the significant time that's passed is relevant to Halifax's reasoning, but I would note that denying a claim solely based on the time that's passed could be considered unfair. It's not necessarily the case that historic claims can just be declined based on the dates. But here, Halifax also considered the range of claims made by Mr G. That he changed his reasoning when asking for other claims to be made for the same transactions indicated he was looking for any reason for a refund. There's no evidence to support any of the other reasons he's given, so I think Halifax acted both fairly and reasonably when they declined to refund Mr G.

I do acknowledge that Mr G believes he's due a refund based on how the guarantee is written, but it's not an absolute right to receive a refund based on a claim. I also noted Mr G raised certain issues surrounding the legal entity of the organisation itself and how he is also perceived. Having thought about these issues, I'm not persuaded his arguments are relevant here. The arrangement he had was with the TV licensing authorities and the direct debit agreement was to allow payments to be collected through that system.

The apparent contradictory nature of Mr G's claims(s) and the lengthy time that's passed lead me to the objective conclusion that Halifax dealt with his issue fairly and it was reasonable for them to decline the claim(s).

I note Mr G's comment that he was prepared to take this matter to court, and that option is still available to him if he wishes to do so.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 January 2025.

David Perry
Ombudsman