

## **The complaint**

Mr S complains Bank of Scotland plc trading as Halifax (Halifax) refused to raise a direct debit indemnity claim when asked.

## **What happened**

Mr S says he visited a branch of Halifax in June 2024 and requested that it raise direct debit indemnity claims for a series of direct debits taken from his bank account between April 2021 and December 2021, from two utility companies.

Mr S says he told the member of staff these direct debits had been taken in error, but Halifax refused to accept this as a reason to raise the claim and informed him the only option he had was to raise a complaint if he was unhappy.

Mr S says he then made a complaint as he had successfully raised indemnity claims with other banks using the same reason as taken in error, but Halifax stood by its decision. Mr S feels Halifax should have processed the indemnity claims in line with the direct debit indemnity scheme rules.

Halifax says the direct debit guarantee protects customers if there's an error in the direct debit collection and not for contractual or legal disputes. Halifax says it has to validate claims for direct debit refunds and the reason given by Mr S on this occasion made the claim ineligible. Mr S wasn't happy with Halifax's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says Halifax requested further information from Mr S to support the direct debit indemnity claim, but this wasn't forthcoming.

The investigator felt Halifax hadn't acted unfairly asking for further information, particularly given the payments were several years old. With that in mind the investigator felt there wasn't sufficient evidence to show the direct debits were taken in error and he wouldn't be asking Halifax to take any further action.

Mr S didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I understand it would have been frustrating for Mr S to be told by Halifax it wouldn't raise an indemnity claim for two utility companies for the reason "taken in error", even though he had used this reason with other banks previously.

Mr S and Halifax have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

To be clear while Mr S has made reference to certain legal points and acts, my role here is to decide, based on the information made available, if Halifax acted unreasonably when it refused to raise a direct debit indemnity claim in June 2024, based on the information Mr S provided them with at the time.

From the information I have seen Mr S asked Halifax to raise indemnity claims for a large number of direct debits for two utility companies, between the period April 2021 and December 2021, approaching three years after he had closed his bank account with them.

Mr S says Halifax refused to instigate the indemnity claims because the reason he provided as "taken in error" wasn't sufficient, even though he had done so with other banking providers. Mr S says Halifax didn't ask him for any further evidence, it simply told him to raise a complaint which was not upheld.

I understand the points Mr S makes here but I'm not fully persuaded by his argument. While it's not possible to know what was said during the branch visit, Halifax says Mr S only gave the reason for the claim as "taken in error".

Mr S disputes he was asked for any further details although it's not clear here why, given his strength of feeling on the matter, he wouldn't have elaborated further. From what I can see Mr S didn't provide any further details to Halifax as to why these were taken in error, other than to say there was "no legal excuse", suggesting perhaps there was some legal or contractual issue. Halifax have informed Mr S that the direct debit guarantee doesn't cover contractual or legal disputes and he should contact the utility companies directly and that seems to be a reasonable explanation here.

Mr S has provided this service with copies of statements showing direct debit refunds with another banking provider, but of course this service isn't fully aware of the background of those refunds or how they were processed, and in any event we can only consider the issue with Halifax here and it's fair to say that doesn't mean because another bank processed an indemnity claim, Halifax must do the same.

What is important here is Halifax were asked to make an indemnity claim dating back close to three years, and I am satisfied it wouldn't be unreasonable for it to have some level of further validity from Mr S regarding the claim, other than it was taken in error here.

So, with that in mind I'm satisfied Halifax acted reasonably when it refused to raise an indemnity claim, based on the limited information Mr S provided to them at the time.

While Mr S will be disappointed with my decision, I won't be asking anymore of Halifax.

### **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 S to accept or reject my decision before 7 January 2025.

Barry White  
**Ombudsman**