

## **The complaint**

Miss D complains Lloyds Bank didn't handled a direct debit guarantee claim properly.

## **What happened**

Miss D has an account with Lloyds Bank.

Miss D says she was going through her old statements when she discovered that she'd paid her local council approximately £6,000 more than she should have done between 2007 and 2016. She contacted Lloyds Bank and made a claim.

Miss D says she wasn't given incorrect information about her claim – for which Lloyds Bank apologised and offered £35 in compensation – and was told her claim had been rejected.

Miss D was unhappy with Lloyds Bank and complained to them and then to us.

One of our investigators looked into Miss D's complaint and said that they didn't think Lloyds Bank had acted unfairly as the direct debit guarantee scheme's purpose is to protect consumers if there's a mistake involving the payment of a direct debit that a consumer has authorised – or reimbursing direct debits taken without a consumer's authority. Miss D was unhappy with our investigator's recommendations and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

## **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.

In her response to our investigator's recommendation Miss D has explained that she believes her local council requested payments from her unlawfully. Specifically, Council Tax. She has explained she considers these payments contravene and compromise her ethical framework because of what according to her some of the proceeds indirectly fund. And she says that neither Lloyds Bank nor our service should allow such improper claims.

I've considered everything Miss D has said but agree with our investigator that the direct debit guarantee scheme is not intended to cover such claims. I'm satisfied that Miss D authorised the direct debit in question and that her local authority has taken payments pursuant to the direct debit. In addition, I agree that Lloyds Bank acted unfairly when it said that it wasn't going to offer a refund because it would have expected Miss D to have noticed these payments much sooner.

In short, given that Lloyds Bank has already accepted that Miss D was given incorrect information – she was told she had to bring a claim within six months – and paid £35 in compensation, I agree that Lloyds Bank doesn't need to do more.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 7 March 2025.

Nicolas Atkinson  
**Ombudsman**