

## **The complaint**

Mrs C and Mr C complain that National Westminster Bank Plc declined their indemnity claim under the direct debit guarantee.

Mrs C and Mr C had a joint bank account with NatWest at the time of these events. For ease, I'll refer to Mrs C throughout my decision as much of the correspondence was between her and NatWest.

## **What happened**

In July 2024 Mrs C made an indemnity claim under the direct debit guarantee for payments she'd been making to her local authority for council tax. She said payments had been made twice for the same property from their joint account and from her partner's other account. She said this was for the period between April 2020 and October 2023.

NatWest declined the claim. Initially it said this was because Mrs C hadn't replied to its request for further information. But it later said it was because the claim didn't fall within the remit of the direct debit guarantee. It said she should contact the local authority directly. NatWest accepted it had provided a poor service though and paid Mrs C £85 to cover the cost of calls she'd made to NatWest, and a further £70 for the loss of time and the trouble and upset it had caused.

Mrs C remained unhappy and brought her complaint to this service. Our investigator didn't think NatWest needed to do anything more. They said they'd asked Mrs C for further information but hadn't received everything they'd need to say an error had been made. They noted that NatWest had addressed the customer service issue and paid compensation.

A second investigator reviewed Mrs C's complaint and asked for further information from her and Mr C. But they didn't receive everything they asked for and they too concluded there wasn't enough evidence to say NatWest had acted unfairly in refusing their claim. As Mrs C doesn't agree with our investigators, the complaint has been passed to me to make 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 don't think NatWest has acted unfairly in declining to refund the disputed payments under the direct debit guarantee. Let me explain why.

The direct debit guarantee isn't designed to deal with contractual disputes between a customer and the originator of a direct debit. It's there to provide a customer with a full and immediate refund where an error is made in the payment of a direct debit by the originator, or the bank or building society. And a business can ask for more information to establish if there has been a payment error before making a refund under the direct debit guarantee.

The payment errors the direct debit guarantee generally refer to are where (for example) the payment date, the amount or the frequency has changed without a customer being told. Or a payment has been set up in error or without the customer's permission.

In this case Mrs C says the local authority was taking council tax payments from her joint account for a period of time when she was living with her partner at the same property. She says the local authority was taking duplicate payments from her partner's other account for the same property at the same time.

I can see that we've asked Mrs C and Mr C to provide further information in support of the claim. For example, why there was a delay in making the claim, whose name was on the council tax account for the property, bank statements showing that duplicate payments were made from two separate accounts. Mrs C has provided some information about the payments she says were duplicated. But having reviewed all the information we've been given, I haven't seen enough evidence to be satisfied that an error has been made. Without clear evidence that Mrs C and Mr C made duplicate payments for the same property during the same council tax billing period, I can't conclude that NatWest has acted unfairly in declining their claim under the direct debit guarantee.

I recognise Mrs C says she's tried to obtain information from NatWest and the local authority but hasn't been successful. She says the local authority has no records of the council tax payments and can't provide any proof of anything. I'm sorry to hear that but if Mrs C wants to pursue this matter further, I can only advise her to approach the local authority again.

For completeness, I note that NatWest recognised it didn't provide a very good level of customer service to Mrs C when she tried to find out what was happening on her claim. It apologised for that, refunded her £85 to cover the cost of her telephone calls and gave her £70 compensation for the lost time and trouble and upset caused. I think that was a fair and reasonable way of putting things right in the circumstances.

### **My final decision**

National Westminster Bank Plc has already paid Mrs C and Mr C a total of £155 to settle the complaint and I think that payment is fair in all the circumstances. I don't think it needs to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 25 June 2025.

Richard Walker  
**Ombudsman**