

The complaint

Mr C is unhappy with Santander UK PLC's ("Santander") decision not to accept a Direct Debit indemnity (DDI) claim in relation to a number of payments he made to an energy supplier between 2021 and 2024.

Direct Debit Mandate history

Direct Debit mandate number	Start date	End date
19	February 2021	April 2022
24	May 2022	July 2023*
26	August 2023*	November 2023

* A payment made in June 2023 was processed under mandate 26, rather than 24.

What happened

Mr C says an energy supplier sent him energy bills that said he'd paid nothing towards the bills, even though Direct Debit payments had been taken from his Santander account.

Because of this, in January 2025 Mr C contacted Santander to raise a DDI claim, but Santander didn't accept his claim. As Mr C was unhappy with this, he raised a complaint with Santander. Santander issued a final response to the complaint on 18 February 2025 and confirmed that it had started the DDI claim process and would investigate Mr C's claim. Following this, Santander reimbursed Mr C for the payments he made under mandate 26.

After Mr C referred his complaint to this service, one of our investigators assessed the complaint and they thought that Santander should reimburse Mr C for payments he made in relation to mandate 24 on his account as well.

Santander agreed with this, and paid Mr C 21 payments of £65 each (one of which included the June 2023 payment that was processed under mandate 26).

Mr C confirmed he'd been reimbursed by Santander for the payments made under mandates 24 and 26. But Mr C didn't agree with this resolution, as he says the payments he made to the energy supplier under mandate 19 needed to be returned to him as well.

As Mr C didn't agree with the investigator's conclusions, the matter was referred for an ombudsman's 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 reviewed everything I agree with the conclusions reached by the investigator for broadly the same reasons that they gave. I will explain why.

I can see that Mr C has been in dispute with an energy supplier about the bills that have been produced and has questioned some of the amounts credited to his energy bill, as well as questioned some of the adjustments made to his bill. However, I need to make it clear that I can't comment on the actions of the energy supplier or any contractual dispute Mr C may have with the supplier. All I can consider here is Santander's actions and whether it acted fairly and reasonably in relation to Mr C's Direct Debit Indemnity claim.

I understand the basis for Mr C's claim is that he received bills from his energy supplier. And despite Direct Debit payments being taken from his account to pay those bills, Mr C has provided evidence to show that the energy supplier recorded that he'd made no payments on those bills. So, in the circumstances I can appreciate why Mr C wanted to raise the DDI claim with Santander.

Since Mr C referred his complaint to this service, Santander has since reimbursed Mr C for the Direct Debit payments he made to the energy supplier for mandates 24 and 26. This means he's been reimbursed for the Direct Debit payments he'd made to the energy supplier going back to May 2022.

When Mr C raised his complaint with this service, he had provided evidence of bills from the energy supplier that said he'd made no payments, even though he was making payments by Direct Debit. However, those bills only went as far back as April 2023. Whereas Santander has already reimbursed Mr C for the Direct Debit payments going all the way back to the start of mandate 24 i.e. May 2022. So, I think the actions taken by Santander are reasonable in the circumstances.

Therefore, all that is left for me to consider here is whether it's fair for Santander to also reimburse Mr C for the Direct Debit payments he made under mandate 19 as well. However, based on the evidence I have seen, I don't think it is fair or necessary for Santander to do that.

The reason why I say this is because, since the investigator carried out their investigation, Mr C provided photos of older bills he'd received from the same energy supplier. Those bills show *it had* received Direct Debit payments from Mr C, between February 2021 and April 2022 (which covers the full period that mandate 19 was in operation).

Therefore, given that the evidence Mr C has provided shows that the energy provider did receive the Direct Debit payments from Mr C, made under Mandate 19, I therefore don't think it would be appropriate for Santander to reimburse those payments.

I appreciate that Mr C disputes the amounts the energy supplier has stated he owes them for the energy used, and the various balances stated on his bills. But the Direct Debit guarantee covers errors made in the processing of direct debit payments. It doesn't address disputes between the payer and the recipient organisation.

On the Direct Debit website, the guarantee explains that:

"The Direct Debit Guarantee applies to all Direct Debits. It protects you in the rare event that there is an error in the payment of your Direct Debit, for instance if a payment is taken on the incorrect date, or the wrong amount is collected. It cannot be used to address contractual disputes between you and the billing organisation."

In this case, I'm satisfied that Mr C's dispute regarding whether the Direct Debit payments (made under mandate 19) are even owed to the energy supplier is essentially a contractual dispute between Mr C and the energy supplier. So, in the circumstances, I think Santander's decision to decline Mr C's DDI claim for those specific payments is fair and reasonable and consistent with the Direct Debit Guarantee scheme rules.

Mr C has said that since Santander reimbursed him for the 4 payments made under mandate 26, his energy supplier has since added that amount as an amount owed on an account it keeps billing him for. I'm sorry to hear about that, especially if Mr C believes that he'd never owed those amounts to the energy supplier in the first place. But, as I have outlined above, the actions of the energy supplier (and what it determines to be the correct amount owed for any energy supplied) are beyond the remit of this service. I therefore can't comment on that issue within this decision.

As a final point, Mr C has said he is unhappy with Santander's handling of matters. I can see that Mr C raised his Direct Debit indemnity claim on 16 January 2025, and although Santander initially declined them, once Mr C raised his concerns, Santander did then review his claims - and respond to his complaint saying that it will do so - within a reasonable amount of time. So, although I agree with Mr C that things didn't initially go as they perhaps should've, I do think that Santander did then take reasonable steps to look into matters, once Mr C raised his concerns.

So for the reasons given above, I think that Santander has now taken reasonable steps (in reimbursing Mr C's Direct Debit payments under mandate 24 and 26) to put matters right. I therefore don't think it needs to do anything further, to put matters right, in relation to this complaint.

My final decision

Because of the reasons given above, I don't think Santander UK PLC needs to do anything further, to put matters right, in relation to this complaint. I therefore do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 August 2025.

Thomas White
Ombudsman