

The complaint

X complains that Barclays Bank UK PLC (Barclays) won't refund the direct debit payments he made for council tax under the Direct Debit Guarantee (DDG) scheme.

What happened

In March 2025, X contacted Barclays to request it to raise an indemnity claim against payments he had been making to his local council for council tax. He said, the council hadn't provided any lawful contract or any verified, signed agreement, that authorises them to collect these payments. X feels these payments were made under duress, due to the threat of enforcement or legal action if he didn't comply. X wanted Barclays to refund the 34 payments he had made.

Barclays explained that as X hadn't provided a valid reason which can be used under the DDG Scheme, it wasn't able to process the request. X disagreed with this and raised a complaint. Barclays didn't agree that it had made any errors, so the complaint was brought to us.

X said, as there was no formal contract with the council, there was not any lawful obligation to make the payments. He believes that any payments taken are therefore subject to the DDG Scheme and he should receive a full refund.

One of our investigators reviewed his concerns but didn't think that Barclays had done anything wrong in refusing to process the indemnity. She explained that the DDG doesn't cover disputes and therefore wouldn't apply in X's circumstances.

X remained unhappy, so requested the complaint to be reviewed by an ombudsman for a final decision, so the complaint was 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.

Having done so, I've come to the same overall conclusion as the investigator, for broadly the same reasons.

I understand how strongly X feels about this complaint. He has raised a number of points and although I may not mention every point raised, I've considered everything he has said but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this. It just reflects the informal nature of our service.

I'd like to remind X that our service isn't a regulatory body or a Court of Law and doesn't operate as such. This service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when making our decisions, our role is focussed on determining whether the outcome of a complaint has been determined fairly or not.

I can see that X is trying to seek a refund of direct debit payments he has previously made through the DDG Scheme. He believes that the payments that have previously been taken were made without informed consent and questions the legality of them. He thinks Barclays have unfairly denied his claim as it won't process the request.

We are only able to consider the actions of Barclays when reviewing this complaint and not the council. This is because the council's actions do not come under our jurisdiction.

The purpose of the DDG scheme is to protect consumers if there is a mistake involving the payment of a direct debit. The official direct debit guarantee guidance states:

"The Direct Debit Guarantee applies to all Direct Debit payments. It protects you in the rare event there's an error in the set up or collection of your Direct Debit, for instance, if a payment is taken on the incorrect date, or it's for the wrong amount.

The Guarantee only protects your Direct Debit payments. It doesn't cover you if you have a dispute with the biller, or the company goes into administration."

A financial business has to validate a claim for a direct debit refund against the DDG rules before accepting it. It may use its judgement whether to raise the claim or not, depending on the likelihood of the claim being successful.

Barclays has explained its reasons for not progressing the claim to X's local council. It felt that the claim would not be successful and suggested that X contact the council directly to deal with any dispute he may have. In this situation, I think it was correct not to accept X's claim given that the scheme doesn't cover disputes.

And so I agree with Barclays and the investigator that X's concerns are different from those set out within the DDG terms and therefore isn't covered under the DDG scheme. I don't think Barclays need to do anything further in the circumstances.

My final decision

For the reasons above, I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 16 September 2025.

Sarah Green
Ombudsman