

The complaint

Mr J complains that Bank of Scotland plc has not refunded disputed direct debit payments.

What happened

Mr J says he asked Bank of Scotland (BoS) to refund payments to his internet provider as it had overcharged him over a number of months. He says the overpayment was about £214 from June 2023 to June 2024. Mr J says BoS refused to refund the payments after the merchant (internet provider) provided evidence to it. He questions what protection he has in those circumstances and would like his money back.

BoS says the merchant provided evidence that it gave advance notice of price increases and says it correctly refused to refund the money.

Mr J brought his complaint to us and our investigator didn't think BoS had made a mistake. The investigator explained that the Direct Debit Guarantee (DDG) could not be used for contractual disputes which he thought this complaint was.

Mr J says the merchant took more money than he had agreed to without any permission or authority. He says he was not notified of any increases to his direct debit and says the merchant ought to have made sure he was notified as well as agreed to the increases.

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 have come to the overall conclusion that BoS has dealt fairly with this complaint. I appreciate Mr J will be disappointed by my decision.

The DDG is designed to protect a consumer such as Mr J if mistakes are made. It is not designed to deal with contractual disputes.

Mr J's complaint here is in summary that the merchant has not told him about price increases and has not sought his agreement before increasing the direct debit. The merchant says it did tell Mr J about changes to his payment. It follows that I am satisfied that this complaint is clearly a contractual dispute between Mr J and the merchant. I am also satisfied there is no suggestion the merchant made a mistake, for example by claiming the wrong amount, but that it increased its prices which it says Mr J is responsible for paying.

So, I am satisfied that BoS was entitled to conclude that this was a contractual dispute between the parties and not something the DDG covered. In those circumstances I find that BoS was entitled to conclude that it couldn't refund the disputed payments.

I appreciate Mr J says it's up to the merchant to have informed him about the changes and that the DDG does not provide the protection he wanted. But it's not our role to decide if the merchant did or did not provide the notice of changes. Our role is to decide if BoS fairly concluded that the DDG did not apply in a case of this type.

Overall, I am satisfied that Mr J himself has told us there was a contractual dispute with the merchant as he has repeatedly told us it did not act fairly and did not provide him with a required notice of any potential price changes. I hope Mr J appreciates that the DDG does not cover this sort of dispute. And so BoS was fairly entitled to consider it could not assist Mr J under the DDG scheme. I don't intend to comment on the compensation paid by BoS about other matters as Mr J has not complained about that part of what took place.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 September 2025.

David Singh
Ombudsman