

## **The complaint**

Mr A complains Lloyds Bank PLC won't refund direct debit payments taken from his account which he says he did not authorise.

## **What happened**

In November 2024, Mr A reported a number of direct debit payments to a telecommunications company that had been taken from his account going back to 2022. Mr A wanted them refunded under the direct debit guarantee.

Lloyds considered the request for the indemnity. But it declined the request. Following a complaint, Lloyds still refused to refund the transactions. So, Mr A referred his complaint to our service.

Our Investigator considered the circumstances. He said, in summary, the evidence suggested Mr A had authorised the direct debit to the telecommunications company. He said this because the direct debit had been set up in 2021, evidence from the telecommunications company showed this account was in Mr A's name and in the call where Mr A reported the transactions, he seemed to think the payment should have been much lower.

Mr A didn't accept the Investigator's findings. He said the complaint had been miscategorised as a "price dispute" and he hadn't consented to the payments. He also said even if the direct debit had been set up in 2021, that doesn't mean he consented to it continuing.

As Mr A didn't agree, the complaint's been passed to me to decide.

## **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.

I think it's important to explain I've considered all the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

Under the Payment Services Regulations 2017 ("PSRs"), generally, Lloyds can hold Mr A liable for transactions which the evidence suggests he made or authorised.

Mr A says he was away from his home for about 22 months, which included a period where he hadn't been able to monitor his account. He said someone had access to his home, at which some banking information was kept, and he believed they set up the direct debit without his permission.

The direct debit guarantee is designed to protect customers from having payments wrongly taken from their accounts. If an error is made when taking the direct debits, customers are entitled to a full and immediate refund of the amount that's been debited from their bank. But this doesn't affect the rights and obligations of the parties under the original contract and doesn't apply in all circumstances – including where there's a contractual dispute.

Lloyds records show the direct debit indemnity was raised twice internally. And rejected on both occasions. It's not clear why it was raised twice but I don't think this changes the overall position.

Lloyds has provided evidence the direct debit was first set up in 2021. And evidence from the telecommunications company shows the account in question is in Mr A's name, and the address and phone number they hold for Mr A are the same details he's provided to our service. The telecommunications company also told us Mr A's account was initially at a discounted rate of £39, but when the discounts expired the price increased.

Lloyds has provided two calls Mr A had with it about the disputed payments. I've listened to both calls.

In the first call, Mr A mentions he was expecting the payment to be about £39 and also makes reference to the more recent amounts being taken of £69.50 as "disgusting" and asks whether the claim was being submitted for the "extra".

In the second call Mr A says:

*"Originally it was supposed to be £39, but they've taken £49, £69..."*

And:

*"...on no account have I given permission for more than £39 to be taken..."*

He also said:

*"...you will never find me agreeing any more than £39 a month for my internet..."*

Like our Investigator, I find this suggests Mr A did recognise the payments to the telecommunications company but was concerned that they had increased from the original amount while he had been away. And this ties in with what the telecommunications company has told us about this being the same contract throughout, with price increases following discounts expiring.

I'm sorry to hear all Mr A's been through in the last few years, it's clear monitoring his account and the regular payments coming from it weren't his priority and understandably so. And I can understand his frustration at finding his telecommunications payments have increased during this period. Mr A also says he wasn't present at the property where the service was being provided and therefore didn't use the services being provided by the telecommunications company. But none of this would make the payments unauthorised, or mean Lloyds were obliged to refund them under the direct debit guarantee.

Overall, I find it's more likely than not Mr A authorised the transactions he's now disputing. So, it follows that I won't be requiring Lloyds to refund them.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 January 2026.

Eleanor Rippengale  
**Ombudsman**