

The complaint

Mr D complains Metro Bank PLC denied his Direct Debit indemnity (DDI) claim for a single Direct Debit (DD) payment to an energy company.

What happened

Mr D explained he had a regular DD set up with his energy supplier for £100 per month. Mr D said his energy company decided to take £757 from his bank account on 1 May 2024, leaving him in financial difficulty. Mr D said he raised the issue with Metro Bank, but it refused his DDI and wouldn't pay the funds back.

Mr D complains Metro Bank shouldn't have allowed the energy supplier to take the payment. He explained Metro Bank often checks payments he makes and should have realised this was an unusual payment and stopped it. Mr D said his energy supplier had sent him a letter notifying him it would take the £757, but he didn't receive it until after the funds had been taken.

Mr D wants to know why the bank allowed the payment and wants Metro Bank to pay these funds back.

Metro Bank wrote a final response letter to Mr D. It apologised for some of the poor service Mr D had received when he tried to initially raise the DDI and paid £60 compensation for this.

Metro Bank confirmed Mr D had told it he had received a letter from his energy supplier notifying him that it would debit the amount it did, but he explained he hadn't received this letter due to postal delays. Metro Bank said it was satisfied the energy supplier had provided advanced notice of the payment. Metro Bank therefore said Mr D would need to dispute the payment with his energy supplier and didn't uphold his DDI claim.

In a further response, Metro Bank provided a further £200 compensation for further poor service it had identified during a series of calls in early May 2024 regarding this issue.

Our investigator didn't think Metro Bank had done anything wrong. They explained they couldn't reasonably hold Metro Bank responsible for the postal delay. They also didn't think the evidence supported the payment was taken in error.

As Mr D rejected our investigator's recommendation, his 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.

I appreciate how strongly Mr D feels about his complaint, and I was sorry to hear about the difficulties this issue caused him. Although I may not mention every point raised, I have considered everything 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.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

When a Direct Debit Guarantee claim is made Metro Bank are required to follow the scheme rules. The Direct Debit Guarantee rules say it applies to all DDs. It protects customers in the rare event that there is an error in the payment of a DD, 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 a customer and the billing organisation.

I therefore must consider whether the evidence suggests there was an error. Mr D's dispute is he didn't receive the notification before the funds were withdrawn by his energy supplier. I have listened to the call and considered the evidence provided, Mr D didn't say this was a mistake or error on behalf of the energy supplier, or that the funds weren't owed or due.

It appears Mr D is still claiming the full fund back from Metro Bank, but hasn't explained what action he has taken, if any, to recover the funds from his energy supplier as directed by Metro Bank. This again suggests to me the funds were debited correctly, as I would have expected his energy supplier to have refunded this payment if it were taken in error.

I also note Mr D has confirmed he did receive a letter from the energy company stating it would be taking £757, as required under the guarantee. He has explained he didn't receive this until after the date the funds were taken. Mr D hasn't provided a copy of this letter, and whilst I sympathise with Mr D's circumstances, our service wouldn't be able to hold Metro Bank liable for issues caused because of delays in post to his address.

I would also add a DD is a customer's authority for an organisation, in this case Mr D's energy supplier, to claim varying amounts of money. I appreciate Mr D has said he has had Metro Bank check payments were authorised for low sums in the past, but these payments were unlikely to be DDs. As this is an agreement between the organisation and the customer for automatic payments, it is unlikely these payments would have been subject to fraud checks as described by Mr D.

As explained, the scheme rules protect a customer if the payment is made in error. Having considered the details of this complaint, I think it is more likely than not no error has occurred here, and I am therefore not persuaded Metro Bank should refund this payment. I appreciate Mr D will likely be dissatisfied with my decision, but I trust I have explained why I do not think it is fair or reasonable to hold Metro Bank liable for what happened.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 3 December 2025.

Gareth Jones
Ombudsman