

## The complaint

Mr C complains Santander UK Plc won't refund direct debit payments taken from his account which he says he did not authorise.

## What happened

In September 2024, Mr C reported a number of direct debit payments to that had been taken from his account going back to 2022 as unauthorised. He asked Santander to refund them under the direct debit guarantee.

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

Initially, our Investigator concluded Santander hadn't made a mistake. But, after making some further enquiries, she suggested Santander had likely considered the indemnity under the wrong reason code. She said this because the information we had now received showed the direct debit set up correspondence had been sent to an address which wasn't Mr C's.

In light of this, and because of another complaint Mr C had made in the background to another party, Santander arranged to refund the disputed payments to Mr C's account in June 2025. Mr C asked Santander to pay £700 in compensation for the delay, distress and inconvenience caused. Santander said it was willing to offer Mr C £100.

Mr C remained unhappy and asked that the case was considered by an Ombudsman. So, the complaint was passed to me to decide.

I issued a provisional decision. I've set out my findings again below and they form part of this decision.

## Provisional findings

*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 of 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, Santander can hold Mr C liable for transactions which the evidence suggests he made or authorised.*

*Mr C says he didn't recognise the payments, nor the merchant they were going to, so he reported them to Santander and asked it to refund them under the direct debit guarantee. He*

*says he was particularly unhappy Santander asked him to provide documentation in relation to the claim, because the onus is on Santander to prove the transactions were authorised.*

*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.*

*Here, Mr C had told Santander that he didn't authorise the payments. I don't think it was unreasonable for Santander to ask Mr C for as much information as possible to help with his claim, but I do agree with our Investigator that it seems Santander misunderstood the basis for Mr C's claim. Santander noted the basis of the claim as being "amount or date differs from the advance notice". And asked him to provide the advance notice. But Mr C says he didn't authorise the direct debit payments at all – so wouldn't have had an advance notice to give. So, I find Santander considered the claim incorrectly initially and if it had considered it on the correct basis at the outset and processed the indemnity claim, it would more likely than not have been successful. I say this because although Santander has said the billing address isn't a validated field, the originator wouldn't have been able to demonstrate Mr C was provided with advance notice of the payments at all – because of the address discrepancy.*

*Santander has now refunded the direct debit payments in question. So, I consider that fair and reasonable to resolve this part of Mr C's complaint.*

*In relation to the overall handling of matters, Santander has offered £100 to resolve things. Mr C's asked for £700.*

*Mr C first contacted Santander about this matter in September 2024. As I explained, I find Santander made a mistake when it first considered Mr C's claim and miscategorised it – which ultimately caused a delay of about 10 months in Mr C receiving a refund. In that time, Mr C made a complaint to Santander, referred that complaint to our service and made further enquiries and complaints with other involved parties. All of which would have been unnecessary had Santander processed the direct debit indemnity request correctly in the first place. That said, I can see on occasions that Mr C has been reluctant to provide our service with information, and Santander's notes indicate the same. Indeed, that forms part of Mr C's complaint, because he didn't think he should have been asked to provide anything.*

*With all that in mind, particularly the length of time this matter has taken overall, I find £200 fairly reflects the distress and inconvenience caused.*

### **Responses to my provisional decision**

Mr C replied to say £200 did not adequately reflect the duration, severity, repetition, and impact of the service failures in this case. He asked that the compensation was increased to £300.

Santander said it would be willing to pay Mr C the £200 I'd set out in my provisional 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.

Mr C has asked that the compensation is increased and reiterated that Santander had

miscategorised his claim, the length of time it took resolve matters and the effort he had to go to in order to resolve things. I considered all of this when reaching my provisional decision – including the mistakes Santander made, the length of time involved and that Mr C hadn't always been forthcoming with information when asked.

So having reconsidered matters, I don't find either party has provided anything new for me to consider. That being the case, I remain satisfied £200 is fair and reasonable to reflect the distress and inconvenience caused to Mr C for the same reasons set out in my provisional decision.

### **My final decision**

For the reasons I've explained, I uphold this complaint.

To put things right, I require Santander UK Plc to pay Mr C £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 February 2026.

Eleanor Rippengale  
**Ombudsman**