

## **The complaint**

Mr B complains about how Metro Bank PLC dealt with a direct debit problem.

## **What happened**

Mr B signed up to an energy provider I will call "O" in October 2025. He then decided to use a different energy provider but on 3 November 2025 O took a direct debit payment for just over £103. Mr B says O told him to raise a Direct Debit Guarantee (DDG) claim with Metro which he did but it rejected the claim. He says the payment was taken in error and in any event, he was not given the required 10 days' notice for the direct debit to be taken. Mr B says he was unable to pay his new energy supplier and there may be implications for his credit file. He would like a full refund and compensation for the distress he was caused.

Metro says O told Mr B the direct debit was due and this was an issue between O and Mr B. It later accepted that Mr B had made a number of telephone calls to it and was prepared to refund the payment before deciding to offer £75 compensation for the time spent by him speaking to it.

Mr B brought his complaint to us and our investigator didn't uphold it. The investigator thought O was Mr B's energy supplier on 3 November 2025 when the payment was taken and that he was aware of the direct debit date. The investigator didn't think the 10 days' notice period was fixed and didn't think Metro had made a mistake.

I asked both sides for further information.

Mr B has confirmed that O has refunded the money but does not agree that the notice period can be varied. He says he has been caused a significant level of distress and maintains Metro ought to have refunded the money.

Metro says as Mr B has been refunded the direct debit it will pay £75 compensation for the time spent by him dealing with the issue with it.

## **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 view that Metro has made a fair compensation offer of £75.

The DDG in summary is designed to protect customers where for example a payment is taken on the wrong date or for the wrong amount. It doesn't cover disputes between parties. It also says that changes to an agreement such as payment amount or date normally require 10 working days' notice.

There is no dispute here that Mr B agreed to use O for his energy supply, and I think it likely on balance that he was told at some point a direct debit payment would be taken on 3 November 2025. I also think that Mr B must have agreed to the direct debit payment as well

as the contract which means Metro was instructed by him to make the payment. I appreciate Mr B then changed his mind about his energy provider and may have been told O would sort matters out. I don't think Metro made a mistake by making the payment as it was not party to any discussions between O and Mr B or the new provider.

I appreciate Mr B was told by O to raise a DDG when the payment was taken. I don't think Metro was obliged to follow that instruction from O and think that it ought to have been its responsibility to sort matters out directly with Mr B. I also think there is the added complication that it's not clear which energy provider was in place when the payment was taken. I can see that O now accepts it made a mistake and appears to accept that it should not have told Mr B to raise a DDG but sorted matters out itself.

The key part of this complaint is Metro's obligations under the DDG. I make clear to Mr B that I don't consider that Metro has explained its position or its interpretation of the DDG particularly clearly to him. And that it ought to have provided a more detailed response in writing and explained matters more clearly when he called it. For that reason, I would have directed Metro to pay compensation to Mr B for the time he spent trying to sort matters out and receive an explanation. But I can see Metro now accepts that position and has offered £75 compensation which I think is fair and reasonable for that limited part of this complaint. I don't consider that failure by Metro to explain the DDG in more detail. And why it took the decision it did requires further compensation or that the time Mr B spent trying to speak to it justifies an increased compensation amount.

The DDG is not designed for contractual disputes but for genuine mistakes such as an incorrect amount being taken or a direct debit being taken on for example the wrong day. I am satisfied that this complaint does not involve that sort of mistake. I have explained that I am satisfied Mr B authorised O to take the payment and must have agreed the amount and was told the date. I am also satisfied that Metro was entitled to conclude that O had provided it with a direct debit mandate agreed to by Mr B for an amount on a certain date. And that there was no mistake. I also think that Metro could have explained to Mr B when he complained that the circumstances of the complaint suggested this was a dispute in any event and not a mistake. That would have meant additionally Metro could have concluded the DDG did not apply.

I appreciate Mr B says he was not given the required 10 days' notice. I am satisfied this was not a change to the direct debit agreement that required a notice period, but what must have been the agreed original contractual payment on what must have been a date given by O. I don't think notice was required in those circumstances and I have not seen any evidence that O took the payment on an incorrect date and, in any event, Metro would have been unaware of any mistake.

Overall, I am satisfied that Metro was entitled under the DDG to reject Mr B's complaint but ought to have explained its position in clear terms and in more detail. I find Metro's compensation offer fair and reasonable and will of course leave it to Mr B to decide if he wishes to accept it. I think it more likely this was a series of problems caused by O not Metro. I have also made it clear to Mr B that we are not Metro's regulator and so it's not our role to direct it about how it deals with DDG issues.

### **My final decision**

My final decision is that I don't uphold the main part of this complaint and find that Metro Bank PLC has made a fair and reasonable compensation offer of £75. Mr B's acceptance of that offer would be in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 11 April 2026.

David Singh  
**Ombudsman**