

complaint

Mrs A is unhappy that Santander UK plc won't refund her account with the money taken under a number of direct debits that she said she didn't set up.

background

In June 2015 Mrs A complained about three direct debits, which were set up in November 2014. Monthly payments had been taken from her account. She says that she didn't set up the direct debits and didn't authorise anyone else to do so. She wanted the money refunded under the direct debit guarantee scheme.

Santander looked into the transactions under the direct debit guarantee, but won't refund them.

The adjudicator didn't recommend this complaint should be upheld. He didn't think Santander had made a mistake in refusing to refund the account because there wasn't enough evidence to show that the direct debits had been set up incorrectly.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

The disputed direct debits were set up in November 2014 under the name of a third party, known to Mrs A, and amounts were taken each month from Mrs A's account. She told Santander in June 2015 that she hadn't set them up and asked for a refund under the Direct Debit Guarantee Scheme. Santander refunded one of the payments whilst it investigated whether there had been any mistake. It then turned down Mrs A's claim because there were other transactions for the same person on Mrs A's account. It re-debited her account with the amount it had refunded.

For me to require Santander to make a refund under the direct debit guarantee I would need to find, on balance, that there was a mistake made in the payments. If an error or dispute comes to light quickly then in most circumstances I would expect the paying bank to refund payments immediately under the direct debit guarantee. This is to provide protection to customers.

Santander says that it found that all the direct debits had been set up with the payees over the phone. To do this, the person who set them up had full details of Mrs A's account. They were set up in the name of someone that Mrs A knows. Santander received the instructions electronically. It didn't need to see a signed authority. So I am not persuaded Santander made an error in processing direct debit payments based on information received from the payees.

After careful consideration, I think it unlikely that an unauthorised third party would have had access to all the required information to set up the direct debits. As well as this, regular credits were made into Mrs A's account, at least initially, to cover the amounts of the direct

debit payments. She also made a payment directly from her account to the person in whose name the direct debits were.

If the direct debit payments been made in error then I think they ought to have come to Mrs A's attention earlier and she would have noticed these direct debits leaving her account. They were not for inconsequential amounts, the transactions happened over a period of eight months and they all showed on her statements. If Mrs A didn't authorise them then I consider it reasonable to expect her to have raised this rather sooner than she did.

I realise that Mrs A will be disappointed but, on balance, and for the reasons I've explained, I'm not persuaded that Santander made an error with these disputed direct debit payments. But if Mrs A disagrees, she can still take up the matter with the direct debit beneficiaries directly.

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 Mrs A to accept or reject my decision before 18 February 2016.

Karen Wharton
ombudsman