

complaint

Mr C complains HSBC Bank Plc unreasonably refused to process his direct debit indemnity claims.

background

Mr C asked HSBC to refund certain historic direct debit payments that it paid from his account.

HSBC wouldn't process the claims as it no longer held any information about the direct debits.

Our adjudicator didn't recommend that Mr C's complaint should be upheld. He didn't think HSBC made a mistake when it wouldn't process the claims many years later and without any transaction details.

Mr C is unhappy with our adjudicator's conclusions. He says two other banks have paid him compensation for not processing a direct debit indemnity claim in accordance with the rules set down by the scheme operator, Bacs.

my findings

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

Mr C wants HSBC to compensate him because he says the reasons it gave for not making the indemnity claims are wrong. Mr C says HSBC can't refuse to process a claim because his account is closed. Or because the direct debits were paid out more than six years ago.

The direct debit guarantee allows account holders to receive an immediate refund from their bank in some but not all circumstances. The right to a refund isn't absolute or automatic. And I don't consider the direct debit guarantee is intended as a means of recovering historic payments many years later.

In Mr C's case, a number of years have passed since HSBC paid the direct debits. Mr C's account was closed in 2008. HSBC no longer holds copy statements or other details of the direct debits. The direct debit scheme rules say that where the bank no longer holds an account in the customer's name, the customer is still entitled to a refund, providing evidence of the transaction and associated error can be provided.

As far as I'm aware Mr C hasn't given HSBC details of the alleged errors in the payment of the various direct debits. As HSBC couldn't find any details about the direct debits, due to their age, I can't reasonably find that it did anything wrong when it wouldn't raise a claim.

If Mr C had concerns about the payments, I would've expected him to raise those with HSBC much sooner than he has. I appreciate that Mr C says HSBC is wrong to rely on the age of the debits or the closure of his account as grounds for refusing to honour the guarantee. But I don't think the bank was wrong to take these factors in to account as without details of the direct debits, HSBC can't decide whether an error has been made.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 February 2016.

Gemma Bowen
ombudsman