

The complaint

A partnership which I'll refer to as L, complains that without permission or advance notice, WorldPay (UK) Limited (WorldPay) increased L's card processing fees (the Fees). L also said that when trying to resolve its concerns the service provided by WorldPay was poor.

In bringing this complaint L is represented by one of the partners who I'll refer to as Ms P.

What happened

In July 2014 L entered into a merchant services agreement (the Agreement) with WorldPay to process card payments from L's customers.

On 1 May 2021 WorldPay increased the charges for processing L's card transactions. L believed the way the increase came into effect was unfair because according to L, the letter WorldPay purported sent to it as notice of the increase wasn't received. L also believed the increase breached the terms and conditions of the Agreement.

Ms P has told us she made a number of phone calls as well as sending emails to WorldPay in an attempt to resolve L's concerns about the increase. She says, however, that phone calls were not returned despite WorldPay's promises. And so, on L's behalf, Ms P formally complained to WorldPay.

In relation to their decision to increase the card processing fees they charged to L, WorldPay didn't think they'd done anything wrong. They said that on occasions such increases are necessary to reflect changes in the processing costs of respective card schemes. They said that for a certain period they themselves absorbed the increases of the various card schemes rather than pass them on to L.

That being said, WorldPay believed that ultimately the Agreement allows them to alter their fees by giving advance notice. And in that connection, they point to their letter dated 27 February 2021 in which they told L about the proposed increase. So, WorldPay didn't think that L was due any refund of processing fees.

WorldPay acknowledged, nonetheless, that aspects of the service they provided to L was poor. In particular, that a promised return phone call by one of their managers to L was not made. So, they offered L £25 in compensation.

Ms P didn't think WorldPay's offer of compensation went far enough. She said the fees should revert to those that were in place before WorldPay's decision to increase them. And Ms P said WorldPay should therefore, return the amounts L has already paid in excess of the original charges. Ms P also said WorldPay should also compensate L for the time she spent phoning and sending emails to them in its attempt to put things right.

The complaint remained unresolved, however, and so on L's behalf Ms P referred it to this service.

Our investigator concluded that:

- WorldPay were entitled to make changes to the card processing fees they charged L and furthermore, the terms and conditions of the Agreement allowed for that to happen subject to giving two months' notice. She said WorldPay's 27 February 2021 letter gave details of the change two months in advance and therefore WorldPay complied with the terms and conditions of the Agreement.
- Although noting L's testimony that the 27 February 2021 letter wasn't received probably, as L believed because it hadn't included L's full address, she wasn't persuaded by that argument. She said the available evidence shows the letter was sent to the address WorldPay had on file for L. And whilst she acknowledged part of the address for L was omitted, she didn't think the omission was material and that WorldPay should be held responsible for the letter not being received.
- That being said, the investigator was persuaded that WorldPay provided poor service to L. And she didn't, think their offer of compensation went far enough. So, the investigator recommended WorldPay increase their compensation to £150.

WorldPay agreed to the investigator's recommendation, but L didn't and requested a review of its case by an ombudsman.

On L's behalf Ms P said L didn't know about the changes to the fees WorldPay intended to make and that had it know it would have changed suppliers as it did subsequently, resulting in a 50% saving per month in fees. Ms P insisted WorldPay's letter didn't have L's full address, so that might account for L not receiving 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 agree with the investigator's conclusions and for broadly the same reasons. I'll explain why.

For me to require WorldPay to compensate L by refunding the increase in the fees they charged, I'd need to be satisfied that WorldPay had made an error or acted unreasonably. However, I'm not persuaded they had.

My starting point has been to look at the terms and conditions of the Agreement to determine whether WorldPay were entitled to increase the fees they were charging L.

Section 4.4 of the Agreement says:

"We may from time to time vary the Fees and/or introduce new charges in addition to the Fees, in accordance with clause 22".

Clause 22.3 says:

"We shall be entitled to vary the provisions of the Agreement from time to time by giving you at least two (2) months' prior written notice. Such variations may be notified by reference to materials available on our website, as set out in clause 26.5. If we make changes to the terms and conditions herein affecting your payment services, you shall be entitled to terminate the Agreement immediately by providing written notice to us, **PROVIDED THAT**

such notice is served upon us within two (2) months of you being notified of the variation. Otherwise, you will be deemed to have accepted any variation of the provisions of this Agreement two (2) months from being notified of it.”

I’m satisfied therefore, that under the Agreement WorldPay were entitled to vary, by way of an increase in the fees they charged L - subject to WorldPay giving L two months’ advance notice.

Furthermore, I’m also satisfied WorldPay’s letter to L dated 27 February 2021 did give L two months prior notice of the proposed increase and they set out the revised fees that would come into effect in two months’ time – on 1 May 2021.

The above evidence leads me to conclude therefore, that WorldPay haven’t done anything wrong in the sense that they were entitled to increase the card processing fees they charged L subject to giving L advance notice of at least two months. WorldPay’s 27 February 2021 letter satisfied that requirement.

That being said I’ve not ignored Ms P’s testimony that L did not receive the letter. But I don’t think I can fairly blame WorldPay for that.

Ms P says the letter was not received because it wasn’t fully addressed. In that connection I have noted that L’s address is expressed along these lines: ‘xx49 - xx53’. Whereas the 27 February 2021 letter only contained the xx53’ part of the number. I’m not, however persuaded the omission of the first number in the sequence – ‘xx49, was of such significance as to be a likely cause for L not receiving it.

That being said, WorldPay have acknowledged they provided poor service to L and I agree. And they have accepted they needed to do more to put things right along the lines recommended by the investigator. In particular, the investigator’s recommendation that they pay L £150 which includes the £25 offer that’s already been made.

I can see that in an attempt to get its concerns addressed L called and e-mailed WorldPay a number of times without any meaningful response. And WorldPay have acknowledged their relationship manager didn’t return a promised phone call to L, all of which point to poor service. I’m satisfied L was caused some inconvenience by that poor service.

Putting things right

For the reasons given by the investigator, I’m satisfied the £150 she recommended is fair and proportionate and fairly reflects the inconvenience that L experienced

My final decision

My final decision is I uphold this complaint in part. In full and final settlement WorldPay (UK) Limited should pay L £150 in compensation which should include the £25 they have offered if this hasn’t already been paid.

I don’t require WorldPay (UK) Limited to do anything more than this, in respect of L’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask L to accept or reject my decision before 18 April 2023.

Asher Gordon

Ombudsman