

The complaint

G, a limited company, complains that First Data Europe Limited (First Data) made changes to how it provided statements for a merchant services account. G is unhappy that compensation First Data offered regarding this issue has not been paid.

G is represented by Mr V, it's director.

What happened

In around August 2021, G stopped receiving statements for its account with First Data. In September 2021 Mr V contacted First Data to question this and was told he would be able to view statements using an online portal.

There were some issues with Mr V being able to access this online portal, and so he raised a complaint with First Data. First Data looked at what had happened and agreed there had been delays in resolving things, so it offered to pay G £25 in recognition of any inconvenience caused.

First Data says it was then unable to pay this compensation to G, it says the payment was attempted twice and returned each time by the third party bank. Mr V says there were no issues with the bank account G was trying to make the payment to, which was still open, and that as First Data had been able to take payments from G's bank account it should have also been able to make this payment to G. Mr V would like compensation for the time and effort put into pursuing this issue and to recognise that First Data has ignored his correspondence about this issue.

One of our Investigators looked at what had happened, but overall they felt First Data had responded appropriately to G's complaint. They felt the £25 offered was fair and that First Data had provided a reasonable explanation as to why it had not been paid. Mr V disagreed, he maintained that there was no reason why the payment should have been returned, and that further compensation was now due because of how First Data had handled things.

As no agreement could be reached the complaint has been referred to me.

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've reached the same conclusion as our investigator and for largely the same reasons.

I appreciate Mr V was unhappy that First Data decided to move to an online portal for the provision of statements, and that there were then some delays in him gaining access to this portal. But First Data's records show that Mr V first called about this issue on 24 September and that access to the online portal was actioned on 12 October, so a delay of around two and a half weeks.

I don't doubt that this was frustrating and can see that Mr V had to chase this up with First Data. But First Data offered G £25 to recognise the impact of any delay, and I think that amount was reasonable in the circumstances. The actual impact on G of the delay would have been limited here, and First Data's notes suggest it took steps to send Mr V the statements he'd asked for before the portal was set up properly for him to access. I must also bear in mind here that the customer in this complaint is G, a limited company, and a limited company is not a person and so can't experience distress or upset. That means that all we are considering here is the inconvenience or additional work that any failings on First Data's part may have caused to G.

I acknowledge that there then appear to have been some issues in the £25 that was offered being paid to G. Mr V says no payments were ever received or returned by G's bank. But First Data has provided us with records from its systems which show the payment was attempted twice and returned each time. As a result of this, First Data asked Mr V to reconfirm the account details several times, which he did so. And I can see that Mr V emailed First Data repeatedly about this issue without any meaningful response. I also understand that First Data took steps to withdraw funds relating to a different issue from G's account at around the same time, which has led Mr V to question how it could say it was not able to make the payment of £25.

But the withdrawal and compensation payment were being dealt with by different parts of First Data, which would not necessarily be sharing that kind of information between departments. And from First Data's complaints department's point of view, it had tried twice to make the payment and twice had that payment returned, suggesting that there was some issue with G's account receiving this deposit. At this stage I think it might have been sensible for First Data to issue the compensation as a cheque to G, but I'm satisfied that G had made reasonable attempts to pay the compensation via bank transfer.

And while I can appreciate that this was frustrating for Mr V, as explained above, Mr V's frustration is not something that we would look to compensate him for here. And again, the actual impact of this compensation not being paid immediately to G is limited.

On that basis, while I acknowledge that First Data could perhaps have handled things better, I remain satisfied that the £25 already offered is fair compensation for G for the impact of what has happened here. First Data should though now ensure that it pays that amount to G as soon as possible.

My final decision

I uphold this complaint. But I'm satisfied that what First Date Europe Limited has offered to do to put things right is reasonable. First Date Europe Limited should pay the £25 it has offered to G via cheque as soon as possible.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 16 March 2023.

Sophie Mitchell
Ombudsman