

The complaint

Mr A complains that Valitor Limited did not fairly compensate him when the card terminal it supplied was defective.

What happened

Mr A runs a small business that sells goods at events. He ran into difficulties with the card terminal supplied by Valitor across two events last summer. Mr A said he accepted that the difficulties with the first event ('Event 1') may have been caused by network difficulties. Nevertheless, Valitor said it would replace the card terminal.

Mr A says Valitor didn't test the new card terminal before it was sent to him. When he attended the second event ('Event 2'), the card machine would not work. Mr A says he called Valitor for technical support and was informed the card terminal was faulty. Mr A says this caused him to lose sales at Event 2, which he believed would have been a record-breaking event for him in terms of profit.

When Mr A complained to this service, Valitor said it thought the difficulties Mr A encountered with the card machine for Event 2 were caused by network problems that were beyond its control.

Mr A told Valitor he wanted to end his contract. But he received a settlement bill for £502.26. Mr A didn't think he should have to pay this settlement amount.

Our investigator considered all of this. To settle the complaint, Valitor ultimately agreed to pay £1,250 to Mr A and make sure he didn't have to pay £502.26 to bring his contract to an end. Our investigator thought this was fair.

Mr A did not agree with this outcome. Ultimately, he thought Valitor should pay £1,500 to compensate him and waive the settlement charges.

As Mr A did not accept our investigator's view, the matter has been passed to me to make a final decision.

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.

Valitor agreed to pay £1,250 to Mr A and to terminate his contract without settlement fees. At that stage, the settlement fees were said to be £502.26. My decision is that this offer is fair. I'll explain why below.

Looking at the figures Mr A provided for his profits for previous years at Event 2, I can see they range from £1,160 to £1,980 over a three-year period. The total value of the offer Valitor made (including waived charges) at the time was £1,752.26

I appreciate Mr A strongly believes that Event 2 would have been a record-breaking year for him in terms of his expected profit. He says that Event 2 was very well attended, and he had seen profits increase across other events when they started up again after the Covid-19 pandemic.

I don't think it would be fair for me to speculate as to what Mr A's profits may or may not have been at Event 2. I can't reasonably say how much he would have made in profit despite Event 2 being well attended. Put simply, there's no guarantee how much Mr A would have made from Event 2.

It seems to me that the total value of the compensation Valitor agreed to pay is in line with and at the higher end of Mr A's profits at previous events. Overall, I'm satisfied that Valitor's offer is fair. I understand it has already paid £1,000 to Mr A. It will need to take action to implement its offer in full as I have set out below.

Putting things right

To put things right in this case, Valitor must:

- Pay £1,250 in total to Mr A. I understand it may have already paid £1,000 to Mr A, which means it can deduct that amount from what it will now owe him.
- Terminate Mr A's agreement with no settlement fees to be paid by him.

My final decision

Valitor Limited must put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 August 2023.

Nicola Bowes
Ombudsman