

The complaint

Mr R is a sole trader, trading as E. He complains that WorldPay (UK) Limited wrongly withheld funds during a due diligence review. He also complains that WorldPay made an error by having the wrong name on the account.

What happened

WorldPay told us:

- It wrote to E several times to explain that it needed more information to carry out its due diligence review. It sent the first of those letters on 13 September 2022, then sent multiple reminders before it withheld E's funds on 13 January 2023.
- All but the first letter explained that if E did not provide the requested information, WorldPay would withhold E's funds. Its terms and conditions – which E agreed to – allow it to withhold funds if E failed to comply with its information requests.
- E provided the information it needed, and four days later it stopped withholding E's funds.
- It is satisfied that E did not suffer a financial loss at any point. E was able to take payments throughout, and there is nothing to suggest that E lost any sales because of WorldPay's actions.
- There was a period during which the name on E's account was not that of Mr R, but that was not the reason E's funds were withheld. In any event, E has since given notice and closed its account with WorldPay.

E's representatives told us:

- They had no warning that WorldPay intended to withhold their funds.
- They co-operated during WorldPay's due diligence review, and they believe that it acted unfairly.
- WorldPay also made an error by having E's account in the name of one of Mr R's employees rather than Mr R himself. It has never given an explanation for that error.

One of our investigators looked at this complaint, but did not uphold it. He thought that WorldPay's terms and conditions allowed it to withhold funds in these circumstances, and overall he thought it had acted reasonably. He accepted that there had been confusion over the name on the account, but he didn't think that confusion had caused E to suffer a loss.

E's representatives did not accept our investigator's findings. They said that they only received one letter from WorldPay, at the beginning of January 2023, and they sent the requested documents on 22 January 2023 when they returned from travelling. But they were

not given access to E's funds until 11 February 2023. They do not believe there was any justification for WorldPay to hold their funds, and they are still confused about why E's WorldPay account was ever in the name of anybody other than Mr R.

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, there is very little I can add to what our investigator has already said.

I acknowledge that E's representatives do not recall receiving any letters from WorldPay before early January 2023, but on balance I am satisfied that WorldPay did write to them several times from 13 September 2023 onwards. I have seen copies of those letters, and I can see that they were sent to E's address. I accept that there may have been difficulties with the post, but I think it is very unlikely that all of WorldPay's letters went astray.

E's representatives have noted that WorldPay could have telephoned them before withholding funds, either by using the telephone numbers on its file or by using the telephone number they make publicly available. I accept that WorldPay could have telephoned E's representatives to remind them of its due diligence review, but I don't criticise it for its failure to call E. I am satisfied that its sending letters to E was sufficient.

WorldPay is strictly regulated, and is not just entitled to carry out due diligence reviews but required to do so. E's representatives have reiterated that they didn't do anything wrong, and that E is a respected business that has been trading for many years. I am sorry that E's representatives appear to have concluded that WorldPay thought they were acting suspiciously, but I can't see anything in WorldPay's correspondence to imply that it was taking that view. I would expect WorldPay to regularly carry out due diligence reviews of all of its customers, and its decision to ask a particular customer for information does not suggest that it had any concerns about that customer.

WorldPay did not receive the evidence that it requested from E, and so I consider that WorldPay acted both reasonably and within its terms and conditions when it temporarily withheld funds from E. I am further satisfied that WorldPay released E's funds within a reasonable period once E's representatives had provided the information it needed.

I don't know why WorldPay's records showed that E's account was in the name of somebody other than Mr R. That issue could have caused a serious problem, but I haven't seen any evidence to suggest that it did in fact cause any difficulties – and I would not award compensation for something that might have happened but did not. The money WorldPay collected for E's account was sent to Mr R, as it should have been. E's representatives would have needed to provide information for WorldPay's due diligence review regardless of the name on the account, so I am not persuaded that the issue caused E's representatives to suffer inconvenience.

It is understandable that E's representatives are very concerned about the name issue, but even if that issue was a result of an error by WorldPay I don't think it would be appropriate for me to award compensation.

My final decision

My final decision is that I do not uphold this complaint against WorldPay (UK) Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or

reject my decision before 22 February 2024.

Laura Colman
Ombudsman