

The complaint

S, a limited company complains about the way that GoCardless Ltd handled its attempts to correct financial information.

S's complaint is brought by Mr M, a director of S.

What happened

S has an account with GoCardless which allows it to receive direct debit (DD) payments from customers. S also uses accounting software provided by Xero which works together with GoCardless.

In December 2022, S told GoCardless that its Xero dashboard showed a negative balance although it had a positive statement balance of more than £88,000.

GoCardless says that S raised the same concerns in mid-2021. GoCardless investigated and explained the issues had arisen because payments created in the GoCardless dashboard hadn't been accounted for within S's direct debit account. GoCardless explained what steps S needed to take before sending it a new reconciliation report to review.

Before coming to the Financial Ombudsman, GoCardless upheld S's complaint as it acknowledged staff were side-tracked when dealing with S's original complaint points but didn't offer any compensation.

Our investigator recommended that S's complaint be upheld and asked GoCardless to pay £100 compensation for the failure in customer service. Our investigator explained that he was only considering the points of S's complaint that had arisen between December 2022 and March 2023 when GoCardless issued its final response. Our investigator said that S would need to raise a new complaint with GoCardless if it wants us to consider what has happened since March 2023.

Mr M disagrees with the proposed resolution of S's complaint. He thinks £500 compensation is more appropriate. Mr M says that because of the delay, S's final accounts were not produced on time, so a potential buyer of S's business lost interest. Mr M says S's quarterly VAT return was delayed. Mr M says the delay in resolving everything has been due to GoCardless's lack of understanding of S's complex query.

GoCardless disagrees with the proposed outcome. It says the reconciliation problems S has faced are because S has sometimes created payments outside of the GoCardless for Xero payment flow.

GoCardless says that it suggested to S that it speak directly to Xero about any issues it was having with its VAT reporting the problems.

GoCardless says that it only partially upheld S's complaint because it appeared from an agent's response in January 2023, that it had not fully understood S's complaint. GoCardless doesn't think that a support agent not providing a full response warrants an award of

compensation, particularly as it has provided S with a dedicated point of support.

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.

I realise that I have summarised S's complaint in less detail than the parties and that I've done so using my own words. The rules that govern the Financial Ombudsman Service allow me to do so but this doesn't mean I've not considered everything that both parties have given to us.

Although I appreciate Mr M's frustration with GoCardless' handling of the problems S has faced – it appears that most of the issues have arisen because S has created payments outside of the GoCardless for Xero payment flow. This has led to reconciliation problems because payments aren't automatically accounted for within the Xero software. So, I can't reasonably find that GoCardless is to blame for most of the issues S has faced.

GoCardless has provided evidence that when S had similar problems in late 2021, it provided technical advice but Mr M didn't make the changes it suggested. When Mr M raised similar concerns, GoCardless provided further technical assistance. So, I can't reasonably find that GoCardless is responsible for any delay resolving the problem up to the point that it issued a final response to S. This makes it difficult for me to find that GoCardless should pay the level of compensation that Mr M would like.

However, I agree with the investigator that when Mr M raised his concerns again with GoCardless, it failed to address all the points he made. I consider the investigator's suggestion of £100 compensation is reasonable. It reflects the inconvenience to S, when Mr M, as sole director of S had to spend more time contacting GoCardless than he otherwise should have, which in turn would have diverted his time away from running the business of S.

I understand that due to the complex nature of S's latest query, GoCardless has needed extra time to investigate. If Mr M remains unhappy with the way that GoCardless has continued to handle S's concerns since it sent a final response on 1 March 2023, he would first have complain to GoCardless before coming back to this service if he was unhappy with the response.

Putting things right

GoCardless Ltd should pay S £100 compensation.

My final decision

My final decision is that I uphold this complaint and direct GoCardless Ltd to put things right in line with the above direction.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 8 November 2023.

Gemma Bowen
Ombudsman