

The complaint

H, a limited company, complains that Paymentsense Limited trading as Dojo applied charges relating to card transactions even though it never released the funds.

What happened

The director of H explains he wanted to sell items to an existing customer. H had a limit with Paymentsense of £10,000 per card transaction. H asked that this be increased to over £110,000 to cover the amount of the sale. And Paymentsense said it would need to review this request. H instead took 11 payments of £10,000 and one of £2,090 from this customer's card on 9 December 2023. On 11 December 2023 H was told that these payments had been flagged up. And that as these were outside what Paymentsense would accept it stated that H would need to refund them. H is unhappy that the charge of 1.9 per cent of the value of the payments (and so over £2,000) was still charged to it as it doesn't consider that these payments were completed.

Paymentsense said it hadn't made a mistake. It hadn't been prepared to increase the transaction limit when this was reviewed. Paymentsense said that the transaction charges for these individual payments was due and referred to Section A Part 10 of its terms and conditions that stated:

"You must pay us the charges in line with the agreement. The charges are immediately due and payable to us when we provide the relevant service to you or as otherwise set out in your monthly invoice."

Paymentsense said that the refund of the payments didn't mean that H was exempted from paying the charges.

Our investigator didn't recommend that the complaint be upheld. She said that the charges here were in line with the terms and conditions. This related to the authorisation and processing activities that had been carried out.

H didn't agree, and the director wanted its complaint to be reviewed. The transactions weren't completed as he said this would have been when H received funds into its account. He has since been told it might have been possible for the funds to be held for six months until the time for chargeback had passed. H wasn't given this option, and this might have been acceptable had it known that the charges would stand. H doesn't consider that Paymentsense have acted legally.

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.

This service isn't a court, but we take into account relevant legislation and regulations. I have looked at the Paymentsense service agreement signed by H and the related terms and conditions. I think H was fairly bound by these. The charges here were triggered when H

keyed the transactions and requested that Paymentsense arrange for their authorisation and processing. While I note that two attempted payments were declined H said it arranged for the customer to clear a block with the financial business involved that had provided the customer's card account. So, 11 payments of £10,000 and one of £2,090 were processed.

Paymentsense's position is that these payments were outside what they had expected and considered acceptable for H. These were processed individually but still formed part of a significant transaction for H, which I know was supported by an invoice. When H called Paymentsense on 8 December 2023 the director said that charging multiple times might 'flag up.' I appreciate he wanted a quicker answer from Paymentsense about the transaction limit but having not received this he went ahead with the individual payments. He had clarified what the costs relating to those transactions would be.

Under the terms of the agreement at Section B Part 4 Paymentsense can refuse to make or delay making a transfer of funds to H for a number of reasons. I don't consider that this means that the card processing service hasn't been provided. There was a call between H and Paymentsense on 11 December 2023 about the payments. Unfortunately, this wasn't recorded. But it isn't disputed that H was told to refund these payments. The director says he wasn't told that he wouldn't get the charges back. While the director says that the funds could have been held for six months the information is that this wasn't then offered.

I'm not persuaded on what H has said that any specific terms of its agreement with Paymentsense were breached. I understand how unfair the director thinks the result of the combination of events was. Paymentsense says it had provided the service charged for and didn't commit to any refund of charges. I'm afraid having considered all the circumstances and what H says I don't find Paymentsense made a mistake. And I don't have a reasonable basis to require it to do anything further.

I appreciate how disappointed the director will be. If H doesn't accept my decision it remains free to pursue this matter in court and subject to any relevant time limits.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 7 May 2024.

Michael Crewe
Ombudsman