

The complaint

Mr B complains that Curve UK Limited charged him fees that could have been avoided had its communication been clearer. Mr B says Curve aren't answering his questions or making it easy for him to avoid incurring charges in future.

What happened

Mr B said Curve changed the way it charged for transactions but didn't make this clear despite his attempts to gain clarification. He said he was told he could make a payment of £3,000 on Curve's literature without a charge. But his payment was £200 over this as he wasn't aware there was a limit, and he has been charged a fee on the full amount he had queried. Mr B complained about this to Curve and requested the fee be refunded

In its response Curve said Mr B got in touch on 22 January 2024 about being charged a 'Curve Fronted' fee for his payment of £3,160 in December 2023 and was told this was due to his exceeding the £3,000 fee-free limit. Curve linked Mr B to its 'Frequently Asked Questions' for further information. Curve told Mr B it had emailed its customers on 14 September 2023 regarding the changes and from 15 November the fee-free Curve Fronted limit was reduced from £10,000 to £3,000 for all 'Metal' subscription holders.

Curve said exceeding the limit brings a 2.5% fee on the total transaction as explained in its Fees Schedule, within its Terms of Service. Curve said its fees have been re-evaluated to support customer benefits whilst remaining financially viable. It said customers who signed up before these changes are the most affected and it apologised for any inconvenience.

Mr B asked if the fee could be refunded by moving his transaction to a debit card with the remainder on his credit card, but Curve said it couldn't split payments. Curve said its card is designed for day-to-day spending and not solely to help its customers 'in making transactions which wouldn't normally be available to them'. Curve said it was sorry it wasn't made clear to Mr B in the initial email how these changes would affect his fee-free limit and thanked him for his feedback. Mr B wasn't satisfied and referred his complaint to our service.

Our investigator recommended the complaint be upheld. He said Curve has to bring changes to key terms to a customer's attention and reducing the fee-free limit for transactions was a change to a key term. He didn't think Curve's email of 14 September 2023 with the updated terms made these changes clear because it didn't mention the reduction of the fee-free limit, it only provided a link to the terms and conditions. He said Mr B would then have to navigate these to see if there were changes to the fees. He said there was no information which would prompt Mr B to think the fee-free limit had changed.

The investigator said Mr B initially requested to put the extra amount on his debit card and he thought that if Mr B had been aware of the fee he would have made the transaction differently to avoid the charge. He said Mr B had to contact Curve several times as to the reason for the charge so as to avoid more charges. He recommended Curve refund the charge and pay Mr B £100 compensation for the inconvenience caused.

Curve disagreed saying it met its legal obligations by providing Mr B with 60 days' notice of the change to its terms and so charges shouldn't be refunded. Curve provided a screenshot showing Mr B received and opened the email about the changes and it requested the

complaint be reviewed by an ombudsman. But Curve agreed its email about the changes could have been clearer and was happy to pay Mr B the £100 compensation suggested.

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 was sorry to learn that what should have been a straightforward transaction has turned into a drawn-out and costly experience for Mr B. Part of my role is to determine whether what took place was reasonable and whether Curve followed the process of amending its charges correctly.

In assessing whether Curve acted fairly, I've taken into account the relevant rules and guidelines along with its terms and conditions. Curve does not provide a bank account as it is an e-Money institution. Curve describes itself as a 'card aggregator' which allows customers to spend from any of their cards, as long as they've been added and verified in the Curve app, using just one debit card.

That useful service is different from what a bank can provide, but there are still general principles that say it should conduct its business with due skill, care and diligence and pay regard to the interests of its customers. This includes providing clear and not misleading information about its services and related charges. Businesses are required to provide consumers with appropriate information so they can make effective, timely and properly informed decisions.

Prior to 15 November 2023, 'Curve Metal' customers had a £10,000 fee-free limit per calendar month for Curve Fronted transactions. When exceeded a 1.5% fee was applied by Curve. From 15 November 2023 customers had a £3,000 fee-free limit per 30 day rolling transactions, for which a 2.5% fee was then applied by Curve. Mr B made a payment for £3,160.76 on 22 December 2024 which exceeded the £3,000 fee-free Curve Fronted limit, as amended within its Terms of Service. As a consequence Curve charged Mr B a fee.

In response to Mr B's complaint Curve said it informed Mr B of the changes to its fees in due time and so the changes were correctly enforced. Curve has relied, for its decline of Mr B's complaint, on its email of 14 September 2023.

Notice of the change to the Terms of Service was provided in this email and Curve has shown that Mr B received and opened the email. I've looked at this message to see if it gives reasonable information so that the changes were clearly advised to Mr B. The message states that Curve has made its Terms of Service clearer and added more protections. And states that 'our subscription schedules have changed to reflect our new pricing, so make sure to check these out here.'

The latter word of the above quote is a link to Curve's pricing schedule. And the message goes on to say that changes will take effect from 15 November 2023. I can see that Curve has given proper notice that changes will be made but has relied on customers following links to discover the nature of the changes.

As the investigator has said, we expect financial businesses to bring key terms, or changes to key terms, to their customers' attention. This means highlighting key changes within the message alerting customers to the changes. This is important as it allows customers to make informed choices about how to conduct their financial affairs without having to undertake further examination of the terms and conditions.

As a consequence, I think Curve's communication regarding the change to the fee-free limit was unclear. Curve appears to acknowledge this when saying its email about the changes could have been clearer and that it is happy to pay Mr B the £100 compensation recommended by the investigator.

Putting things right

In conclusion, I don't think Curve's email brought the changes to its fees sufficiently clearly to Mr B's attention. I agree with the investigator that it is likely Mr B would have made alternative arrangements for the transaction had he been aware he would incur the new charges. Consequently, I think it would be fair and reasonable for Curve to refund these charges to Mr B. I'm pleased Curve acknowledged its email about the charges could have been clearer. I'm satisfied that £100 compensation fairly reflects the inconvenience Mr B was put to in trying to gain information about the charge from Curve.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. I require Curve UK Limited to refund to Mr B the charges it applied in carrying out the transaction he made in December 2023. I also require Curve UK Limited to pay Mr B £100 compensation for the inconvenience he was caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 October 2024.

Andrew Fraser
Ombudsman