

## **The complaint**

A company which I'll call 'R' complains that GoCardless Ltd behaved unreasonably when it changed pricing structure.

The complaint is brought on R's behalf by one of its directors, Mr F.

## **What happened**

R had an existing agreement with GoCardless for it to process the company's card transactions.

R told us:

- It received notification emails from GoCardless that it was changing its pricing plans and that the company was being moved to a plan that would increase its fees. However, the notification emails were misleading and confusing.
- The changes were due to take effect from 1 November 2023, and it contacted GoCardless on 13 October 2023 giving three weeks' notice that it didn't want to accept the changes to the more expensive plan and wanted to stay on the standard plan.
- The terms of the original agreement with GoCardless say that the company had until the date the change was due to take effect to accept or decline the changes. However, GoCardless said it had missed the required deadline of 10 October 2023 to request it stay on the new standard price plan.
- It believed that GoCardless had breached the terms of its agreement by implementing the change to the higher price plan and then saying this couldn't be changed until the following month.
- The impact financially for the increase in fees wasn't significant, however it should be paid compensation for the inconvenience caused by the breach of contract and the distress caused to its directors.

GoCardless told us:

- It had made the commercial decision to change its pricing structure and had contacted R about this on 1 August 2023, giving more than the required two months written notice in line with the agreement terms.
- R had until 10 October 2023 to let it know whether it wanted to change from the pricing plan that it had been moved onto which would take effect from 1 November 2023. It simply had to complete a pricing change request form, and this would have been actioned.

- The deadline of 10 October 2023 had been given as it was a complex process to change its customers over and to give the customers time for any change requests to be submitted be put in place before the new pricing structure took effect.
- R hadn't contacted it until after the deadline had passed and a confirmation email had been sent about the new pricing plan the company had been moved to. So, it was satisfied that R had been charged for the correct price plan in November 2023.
- It didn't agree that R had reached out before the change in pricing plan had taken effect, not did it agree that the communication it had sent to R was misleading and that the company wasn't aware its price plan was changing.

Our investigator recommended the complaint be upheld. He noted that the terms of R's agreement said GoCardless could revise its fees at any time by giving its customers at least two months' written notice, and that if the customer didn't tell GoCardless that they didn't accept the changes before the date the proposed changes would enter force, they were deemed to have accepted the revised fees.

However, he said that although GoCardless had asked R to confirm its decision before 10 October 2023 so it could make the required system changes, the date the change was due to enter force was 1 November 2023. So, he thought that R had given GoCardless the required notice to decline the increase to the higher price plan and therefore GoCardless should refund R the additional charges it paid in November 2023 and pay £50 compensation for the inconvenience caused.

R didn't say whether or not it accepted the investigator's opinion, but GoCardless didn't agree and asked for an ombudsman to review the complaint. It said in summary that:

- a similar case had been reviewed by our service and that hadn't been upheld.
- if R had been unhappy with the increased fees, it could have terminated its agreement without charge.
- R could have gone onto a different pricing structure if it had wanted, however this would have been the month after the change had taken place as R hadn't met the cut-off date outlined in its emails to the company.

### **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, I've decided to uphold it for broadly the same reasons as our investigator.

GoCardless' main response to our investigator's opinion was that a previous view had been issued by our service which didn't uphold the complaint. However, I've reviewed that case and the circumstances were different to the complaint brought by R. I'll explain why.

It's not disputed by either party that GoCardless gave R two months' notice in writing of the proposed changes, and it's also not disputed that GoCardless can change its fees and pricing structure. The dispute in this case is with regards to the effective date for these changes to take place, and whether R had told GoCardless within the required timescale that it didn't accept the business' recommendation and wanted to remain on the standard plan – and I'm satisfied that it did.

R's agreement with GoCardless said that *"If the merchant does not notify GoCardless to the contrary before the date on which the proposed changes will enter force, GoCardless will deem the merchant to have accepted the revised fees."* GoCardless said that it had given R a deadline of 10 October 2023 to say whether or not it accepted the change to the new plan – but it didn't respond until 13 October 2023 and therefore the business hadn't done anything wrong by making the changes. However, I've seen evidence from both parties that says that the date the proposed changes would take effect from was 1 November 2023.

I understand that GoCardless had requested that R provide a response before the 10 October 2023 because it needed sufficient time to make system changes, and I think it was reasonable that it had given a deadline for any responses to be received. However, just because GoCardless gave R a requested deadline that it wanted the company to meet, it doesn't mean that this overrides the terms of the agreement which was already in place.

Here, R told GoCardless that it didn't want to accept the changes by giving more than two weeks' notice before the proposed changes were actually due to take effect. So, I'm satisfied that the company fulfilled its obligations here and GoCardless should have acted upon its instruction and reverted back to the standard plan as requested. This is the key difference to the other complaint where the complainant didn't confirm back to GoCardless before neither the deadline date or the proposed change date.

Therefore, as I'm satisfied that GoCardless should have acted on R's instructions, I think it should refund the difference in fees that it charged R for the advanced plan compared to what it should have charged for the standard plan, and pay R £50 for the inconvenience caused here.

### **My final decision**

My final decision is that I uphold this complaint. I instruct GoCardless Ltd to do the following:

- Refund the additional charges paid by R for the Advanced plan it was charged compared to the Standard plan it should have paid.
- Pay R £50 compensation for the inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 28 October 2024.

Jenny Lomax  
**Ombudsman**