

The complaint

Mr D complains that Curve UK Limited blocked his Curve card, removing his access to the underlying payment cards he'd added to the Curve system. Mr D told us Curve then failed to reinstate this card promptly, which caused further problems.

What happened

Mr D complained about poor service received from Curve. He said his Curve card stopped working, and he was left without access to the cards he'd added to Curve's payment system. Mr D said he'd paid for an upgraded Curve card, and that upgrade was supposed to include prompt customer support. But he said when he contacted Curve to say the card wasn't working, he then waited well over a month for Curve to sort this out.

Mr D said he contacted Curve on 4 June 2024, because his card was being repeatedly declined. He said this problem had already been going on for some time. He then repeatedly chased Curve about this, but it wasn't until he recorded a formal complaint, in early July, that his card was finally unblocked.

Mr D said he hadn't been offered anything for the substandard service, or the extra expenses he incurred to replace an insurance product that Curve withdrew. Mr D also said he missed a tax filing deadline because Curve's service wasn't available to him. Mr D wanted Curve to pay back the £180 he'd paid for the higher tier card, to pay £300 in compensation, and to cover a £900 penalty he'd received for a late tax return. He also wanted Curve to cover the higher fees he'd paid using his other cards abroad, and to pay for the insurance he had to purchase when Curve withdrew its packaged insurance product.

Curve told us about the problems Mr D experienced using his card. It said that Mr D's card was blocked from 7 April 2024, and he first contacted it about this on 23 May. Curve didn't think that it had made a mistake in stopping transactions on Mr D's card, which it did think was necessary for security purposes, and justified under the terms of the card's use. But it was sorry that it hadn't been able to tell him when this happened. It was working on improving that. It was also sorry about the service he'd received, in trying to get his card reinstated. His query had to be passed through to a specialist team, which had been very busy, and hadn't been able to reply as quickly as they would like.

Mr D was told his card was unblocked on 11 July. Curve offered Mr D £25 for the inconvenience.

When this case came to our service, Curve said that while the Curve card was blocked, Mr D could still use the underlying payment cards directly, as Curve is a card aggregator, not a bank. And it said that its terms say Curve won't accept responsibility for any fees or financial losses caused by an account block. Curve said it would still pay the £25 in compensation that it had offered, and offer a refund on Mr D's remaining higher-tier subscription, from the time the block was put in place. So Mr D could have a refund of £53.02 if he would like to downgrade his card now.

Our investigator wrote to tell Mr D she thought Curve should pay more for his complaint

about the declined payments, and the time it took to sort this out. She said Curve should pay the refund it had offered of £53.02 for the remainder of the subscription from the time the block was placed. And it should compensate Mr D £100 for the distress and inconvenience this situation had caused, in addition to the £25 already offered.

She said Mr D had accepted the terms of service, which said Curve could block the account for reasons of security, and she was content that Curve had acted within the terms of the account when it did so. But the block was placed on 7 April 2024, and Curve didn't tell Mr D about this, although its terms suggest it will do so.

Mr D said we hadn't waited for him to expand on his complaint. He wrote in detail to tell us that he had only just upgraded his card, in early September 2023, when Curve almost immediately cancelled the travel insurance benefit. So he had to buy new travel insurance separately. He wanted Curve to pay for that.

Mr D said when his card was blocked, he wanted to downgrade the card, but he couldn't do that right away, as he was away from home and wouldn't receive any new card issued.

He said that he relied on the Curve card to consolidate transactions from multiple underlying cards, and because of the account issues, he couldn't access his transaction history during the crucial period leading up to the tax filing deadline. So Mr D wanted Curve to pay the fine of £900 he received for late filing.

Mr D said that he had to use another card while travelling, and he said this cost him more. Mr D sent us examples of the transaction fees for using different cards, but no evidence of any fees actually incurred. He said using the underlying cards wasn't a practical solution to the problem, because of these higher fees and less attractive exchange rates, as well as fewer security features. Mr D said he'd linked all his personal and business cards to Curve and stopped carrying them physically. So he hadn't taken those cards when he was overseas.

Our investigator replied to say that our service wouldn't look into Mr D's separate complaint about travel insurance now, and asking for further information about why Curve might be responsible for Mr D's late filing of a 2023 tax return.

Mr D said the block on his Curve card meant he had to use individual cards for transactions, which delayed obtaining the necessary transaction reports for his accountant, particularly as he was travelling.

Our investigator then wrote to Mr D again, to say that she hadn't changed her mind. She said the deadline for the tax filing was 31 January 2024 and Mr D first contacted Curve about account problems on 23 May 2024. So she wasn't satisfied the restrictions placed on the account contributed to the fine Mr D received. She said there were other ways to obtain the information Mr D needed, and she couldn't see Mr D had told Curve that it was causing problems with his tax returns. Our investigator said Curve had agreed to pay what she'd recommended, and she didn't think it had to pay more.

Mr D wrote to disagree. He said that we'd disregarded the impact all this had on his work, and he said an inability to access transaction data from Curve had hindered his ability to complete a self-assessment tax return accurately and on time. He also complained about poor communications from Curve when his card was blocked, and said £100 did not adequately reflect the inconvenience, financial loss, and distress caused by Curve's actions.

Because no agreement was reached, this case then came to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

I should say at the outset that I cannot consider Mr D's additional complaint about the withdrawal of travel insurance by Curve, as part of this complaint. It's clear that Curve has treated this as an entirely separate complaint, and it's not clear whether our service would still have jurisdiction to consider that issue. We can look into that for Mr D if he would like, but I won't delay a resolution on the remainder of Mr D's complaint points by doing so here.

I don't think it was unreasonable for Curve to block Mr D's card in early April 2024, and I note its terms do say Curve may do this for security reasons. Although Mr D's card was blocked on 7 April, he doesn't appear to have complained to Curve about this until 23 May.

But when Mr D did complain, Curve didn't act promptly to resolve the issue. He told it about a declined payment on 23 May, and said this was still happening on 28 May. But the problem doesn't appear to have been referred to a team who could deal with it until 4 June, almost two weeks later. And it wasn't until 11 July that Mr D's card problems were resolved. That's seven weeks after he first reported the problem. Curve hasn't suggested that it took a long time to reactivate Mr D's card, it's just said that it was very busy, and it's sorry.

I don't think that a total payment of £125 in compensation which our investigator suggested is quite enough to reflect the impact this problem had on Mr D, particularly as he was travelling at the time. I think a payment of £300 in compensation would more fairly reflect the impact on Mr D of such a lengthy time with no access to his card, and the repeated failed transactions that he complained to Curve about.

On the evidence I've seen to date, and in particular, the number of transactions Mr D has reported to Curve as failed, as well as that no failed transactions were reported for almost two months after the card was first blocked, I don't think Curve also has to pay any additional transaction fees or exchange rate costs that Mr D may also have incurred.

I also note that Mr D asked to downgrade his card during this time, and Curve said no, because it was still investigating the problems with his card. I think that Mr D's card should probably have already been unblocked by then, and the downgrade would then have been actioned for him. Because of that, I do think that if Mr D still wants to downgrade his card (which I ask him to confirm in response to this decision) Curve should backdate Mr D's decision to downgrade this card, to 7 April 2024, as it suggested, and refund him the payments he has made for the higher tier card from then onwards.

Mr D also said that the problems Curve caused by blocking his card also meant he didn't have enough information to lodge his tax return on time. He said he was forced to use his underlying cards, so these transactions weren't aggregated for him. But Mr D's tax return does appear to have been due well before his card was blocked. So I cannot say that this subsequent block was the cause of the late return. I don't think Curve has to pay the fee that he incurred for this.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

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.

Mr D replied, asking me to increase the compensation award. He wanted to stress that Curve's service had fallen well short of what it had promised. He didn't feel Curve had treated him fairly, and said he had the right to be notified when his card was blocked. He said Curve hadn't done that, and it also hadn't responded promptly when he'd contacted it about the block. He said Curve didn't do anything until he raised a formal complaint, on 10 July 2024. Mr D identified a number of regulatory requirements which he felt Curve had breached.

Curve also replied, asking me to reduce the compensation award. It said it accepted that the compensation should be more than it initially proposed, because of how long it took to unblock Mr D's card after he contacted it. But it didn't think compensation should be as high as I had suggested. Curve said that it appreciated it would be inconvenient to lose access to its payment service when travelling, but it said Mr D still had access to the underlying payment sources, and said it would never suggest a customer goes abroad with no back up payment sources.

Curve said it thought that a payment of £175, plus a backdated refund of Mr D's card fees, would provide a fair outcome. But it said it would accept the original amount for the purpose of facilitating a resolution for all parties.

Our service doesn't regulate financial businesses, and our awards aren't made to punish those businesses if they don't follow the appropriate regulations. So my focus, in seeking to resolve this complaint, isn't on whether Curve has breached regulatory requirements, but rather on the nature of Mr D's experience.

I don't agree with Mr D's suggestion that Curve took no steps at all to resolve this problem before he asked to raise a formal complaint. My provisional decision says Curve referred Mr D's case to the relevant team on 4 June. But I do accept that this referral produced no results, from Mr D's viewpoint, until after he raised his formal complaint on 10 July.

That's one of a number of reasons why I do think that Curve provided poor customer service here. It's clear that Mr D was inconvenienced, which is why I said I was minded to ask Curve to pay more than it initially offered. I have taken into account that Mr D was travelling when his card was blocked, and that even though he did have alternative payment methods, he clearly preferred his Curve card, both for the convenience of having his transactions grouped together and for the preferential exchange rates he told us he was able to secure. I've also taken into account that this problem should have been resolved rather quicker than it was.

So I do think that a payment of £300 in compensation, plus the refund of his card fees as I proposed, remains a fair and reasonable outcome here. I don't think this should be reduced. But I also think the facts that Mr D has reiterated now, were taken into account in my provisional decision, so equally, I don't now consider that the compensation payment should be increased from this amount. And I've explained why I don't think it would be appropriate here to increase any award because of Mr D's concerns about regulatory compliance.

For those reasons, I haven't changed my mind. I'll now make the decision I originally proposed.

My final decision

My final decision is that Curve UK limited must pay Mr D £300 in compensation. If Mr D confirms, when he accepts this decision, that he still wishes to downgrade his card, Curve UK Limited should backdate that action to 7 April 2024, and refund to Mr D any resulting overpayment of fees he's made from that date onwards.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 February 2025.

Esther Absalom-Gough
Ombudsman