

The complaint

A limited company, which I'll refer to as D, says that it has had several instances of reversed card transactions in the past year. D complains that Lloyds Bank PLC trading as Cardnet has unfairly failed to assist it in retrieving funds on these occasions.

What happened

D has a contract with Cardnet for processing its card transactions.

In May 2024, D took a payment of £1,646 via its card terminal. D received an authorisation code and printed a receipt. But the transaction later reversed, so D didn't receive the funds.

On that occasion, D knew the customer concerned and was able to contact them to obtain payment. But the same thing happened again with a smaller transaction for £51.95 and D was not able to get its money on that occasion.

D complained to Cardnet, which did not uphold the complaint. Cardnet said that an authorisation code did not guarantee payment. They said that the £1,646 transaction appeared to have failed due to a loss of connection during the "transaction cycle". They also said that they could not assist D in re-presenting the transaction because the transaction was incomplete and they did not know the reason for the reversal.

D asked the Financial Ombudsman to look into what had happened. One of our investigators did so, but didn't consider Cardnet had done anything wrong, as it wasn't responsible for the transaction failures.

D asked for an ombudsman's decision.

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'm sorry to disappoint the directors of D, but I've reached the conclusion that Cardnet is not at fault here. I'll explain why below.

First, I agree with our investigator that Cardnet's evidence suggests that it's more likely than not the May 2024 transaction failed due to a break in the connection before the payment process was complete. This meant that the transaction was never submitted to Cardnet to process.

However, I can see from D's response to our investigator, that D's main concerns are not the transaction failure itself so much as Cardnet's refusal to assist in it retrieving the funds. D argues that it's unfair that Cardnet doesn't have a process that enables a merchant to retrieve funds from the cardholder where there is a transaction reversal, and will not assist D by providing it with the information D would need to resubmit the transaction.

I've considered D's submissions carefully, in the light of D's agreement with Cardnet, Cardnet's role, and what I consider is fair and reasonable.

I've looked at D's contract with Cardnet, including the Cardnet operating manual that forms a part of that contract, and I can't see that Cardnet has any contractual obligations in relation to reversed transactions. So I don't think that Cardnet has breached any terms in the contract by not providing the help D would have liked.

I also don't think it's unreasonable of Cardnet not to have a process for assisting merchants with reversed transactions, given that they have never claimed to do so. I think that is a commercial decision they are entitled to make.

I've then considered whether Cardnet's approach, notwithstanding the absence of contractual commitments, was fair and reasonable.

I don't think there's any dispute that Cardnet have the transaction data, including the full card number. But clearly they are under stringent obligations to treat this data carefully. It is my understanding that there are various reasons why transactions might be reversed to do with the other parties involved and Cardnet do not have visibility of this. So on balance, I think it's reasonable for them to act with caution and not release the data in this scenario, even where it looks likely that there was just a connection break.

I understand that D made some form of data access request to Cardnet to obtain the cardholder's details for the second transaction, but Cardnet declined the request. I realise D feels this is not in line with GDPR guidelines, but for the reasons set out above, I don't think their decision was unreasonable.

I can see why D feels so strongly about what has happened here. A problem has happened, more than once, through no fault of its own, and it understandably feels vulnerable to a recurrence. But my role here is to consider the circumstances of D's dispute with Cardnet and whether Cardnet has done anything wrong. I've concluded that Cardnet has not made an error, either in the reversals of the transactions themselves or in declining to provide data to assist afterwards.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 12 November 2025

Louise Bardell
Ombudsman