

The complaint

A company, which I'll refer to as N, complains that First Data Europe Limited failed to cancel its merchant account in August 2021.

What happened

N had a merchant services agreement with First Data Europe Limited (trading as Clover Merchant Services) in order to take card payments.

N also had a merchant services agreement with another provider, which I'll refer to as D. In addition, D provided N with the hire of a terminal. In August 2021, N wrote to D to cancel its agreement.

In October 2024, N complained to Clover that its merchant services account with Clover was still open and charges had been applied. N believed that Clover should have closed the account in August 2021. Clover said that it hadn't received any request to close the account until October 2024.

N wasn't happy with Clover's response and referred the complaint to us.

Having looked at the evidence, our investigator didn't think Clover needed to take any further action. She gave these reasons, in summary:

- The terms and conditions of the Clover agreement said that N could terminate the agreement at any time by giving not less than one month's written notice.
- There's no evidence that N wrote to Clover to cancel their agreement before October 2024.
- The agreements with D and Clover were separate agreements, taken out at separate times, with two separate legal entities, and the investigator had seen no evidence to suggest that the agreements were connected to one another. So, she couldn't hold Clover liable for not cancelling the agreement until October 2024.

N disagreed with the investigator's conclusions. Its representative said the contract didn't specify an end date, which raised concerns about the duration and termination clauses of the contract.

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 that, I've reached the same conclusions as the investigator, and for largely the same reasons.

I'm satisfied that N didn't write to Clover to request the closure of the account until October 2024, so I can't say that Clover acted unfairly by not closing the account until then. N wrote to D in August 2021, but that makes no difference. Clover knew nothing about the closure request until October 2024.

I don't think the absence of an end date in the Clover agreement was unreasonable, and it doesn't change anything in this complaint. To close the account in August 2021, N needed to write to Clover, and it didn't do that.

After the investigator gave her conclusions, N raised other issues about the contract and its terms. As these weren't the subject of the original complaint to Clover, I haven't considered them here. In my opinion, these new issues have no bearing on the matter that I need to determine, which is whether Clover acted wrongly by keeping the account open after August 2021. As N didn't send a closure request to Clover until October 2024, I've decided that Clover didn't act unfairly or unreasonably by keeping the account open until then.

My final decision

My final decision is that I don't uphold this complaint.

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

Colin Brown
Ombudsman