

The complaint

Miss C complains that Curve UK Limited (“Curve”) failed to make her aware of the cancellation fee when she signed up to its wallet subscription plan.

What happened

Miss C signed up to a Curve wallet subscription plan online. When taking out the product at the bottom of the page following a list of features Miss C needed to click on a large red button saying “Get Curve X” and just below this in small italic font it said that “by selecting Curve X you have read and agree to the terms and conditions and subscription schedule”.

The terms of the account made no mention of a £59.99 cancellation fee, instead a customer would need to click on a further link described as “Subscription Schedule” held within the terms. This was provided in the terms under section 5 where it says:

“Accounts. We offer Accounts with different levels of services and fees (See the Subscription Schedule for more details)”.

And Section 6 where it says:

“Downgrading your Account. You can downgrade your account by getting in touch with us and fees may be payable in accordance with the Subscription Schedule and the minimum subscription periods section below”.

On discovering she couldn’t use her credit card with Curve Miss C wished to cancel/downgrade her plan. As she did this within the 14-day cooling off period Curve refunded Miss C £17.99 for the first subscription fee but charged £59.99 as she’d cancelled the plan within six months of subscribing – six months being the minimum term.

Miss C complained to curve about this and she didn’t think Curve had made this clear on its website when she signed up to the plan and wanted the fee waived.

Curve didn’t uphold Miss C’s complaint. It says the cancellation fee was clearly disclosed within the terms which explicitly reference the Subscription Schedule as part of the agreement. It says customers are directed to this before completing their upgrade and confirmed acceptance of these terms which included the potential downgrade and cancellation fees.

Our investigator looked into Miss C’s concerns and although they acknowledged the terms and conditions allowed Curve to take a cancellation fee didn’t think the way this was communicated to Miss C was reasonable or in-line with good practice as set out by the regulator. The cancellation fee wasn’t made clear as it was buried within the terms and required a further step by clicking on a link contained in the document to see it. And so they thought to put things right Curve should refund the £59.99 cancellation fee and pay 8% simple interest on this from the date the fee was taken to the date it is refunded.

Curve said it would refund the cancellation fee of £59.99 but only as a gesture of goodwill and without accepting liability maintaining that there is no regulatory guidance of specific placement of where to include fees. It says just because it was contained in a separate document doesn't mean it is hidden.

And so Miss C's complaint was progressed 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.

It might help if I explain here my role is to look at the problems Miss C experienced and see if Curve have done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put her back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And after considering everything I'm in agreement with our investigator and don't think there is anything much more of use I can add.

When entering into a contract I would expect that certain important terms are made clear so that a customer is in a position where they can make an informed decision about proceeding.

It is not disputed that by proceeding and clicking the "Get Curve X" button Miss C had agreed to both Curve's terms and the subscription schedule.

And nor is it disputed that Miss C had a responsibility to read and ensure she understood the terms before entering into a contract – including the cancellation terms. This is an important term Miss C needed to understand especially considering there is a fee involved.

What is disputed is whether Curve made the cancellation fee clear enough when Miss C signed up to the plan. Our investigator didn't think the cancellation terms were made clear enough and after considering everything carefully I agree.

It's not enough to just provide the information to the customer, to ensure a customer understands important terms I'd also expect a business to provide this information in a way that is easy to understand. And while I accept that the cancellation fee was detailed in the subscription schedule which a customer could get to by clicking on a hyperlink within the terms, I do not think this is a clear or fair way of communicating an important term – I think there are too many steps involved here.

A cancellation term or fee I think should be highlighted at the start of a customer journey and the customer shouldn't have to proactively seek out what this is. But this didn't happen here, there was no mention of a cancellation fee, indeed for Miss C to understand there was a cancellation fee she'd need to go look for it. She'd have to read one document and then click on a link described as subscription schedule and then continue reading to page two of that document. I don't think expecting a customer to take all these steps including clicking on a hyperlink described the way it is is a sufficiently clear or fair way of informing a customer there is a cancellation fee.

Indeed, besides the key features and cost I can't see a cancellation fee or the chance there might be one is even mentioned at all before the "Get Curve X" button. And I'm confused as to what the point of the 14-day cooling off period is for if Curve still charges a cancellation fee despite this.

Curve say cancellation fees for early termination are a standard practice in many service agreements and that it has been transparent about this fee through the subscription schedule. But just because other businesses may charge a fee doesn't mean every business does the same or that it means customers should understand this without being told or having to go looking for it.

So taking all of this into consideration I don't think Curve has acted fairly in charging Miss C a cancellation fee because I don't think it made it sufficiently clear when she signed up that there would be a fee if she cancelled her plan before the end of the minimum term.

And so to put things right Curve should refund the fee of £59.99 and pay simple interest at 8% from the date the fee was taken to the date it is refunded as this would put Miss C in the position she'd be in if the mistakes hadn't happened.

My final decision

For the reasons I've explained, I uphold Miss C's complaint against Curve UK Limited and direct it pay the fair compensation as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 April 2025.

Caroline Davies
Ombudsman