

## The complaint

A company, which I will refer to as P, complains that WorldPay Limited unreasonably restricted its merchant services account.

## What happened

In March 2024 P had a merchant services account with WorldPay, which enabled P to take payments from its own customers via plastic cards.

WorldPay requested various documents from P in order to comply with its Know Your Customer (KYC) obligations. Both parties now accept that P provided those documents promptly. However, WorldPay did not process the documents as it should have done.

On 14 September 2024 WorldPay restricted P's account, in the mistaken belief that WorldPay had not received all of the documents it had requested. That meant WorldPay did not pass the card payments it received on to P.

P complained, WorldPay rescinded the restrictions. The outstanding amount, of £1,090, was paid to P on or around 1 October 2024.

Following correspondence, WorldPay paid £400 to P in compensation and offered a further £200 (a total of £600). P did not accept. P said that the lack of access to the funds held by WorldPay meant that P could not pay a member of staff, who then left. P said the cost of replacing the staff member was £6,600 plus VAT (£7,290 in total), plus a further £1,000 to train them. P therefore wanted WorldPay to cover £8,920 in losses and also pay an amount for distress and inconvenience.

One of our investigators looked at this complaint, but he thought WorldPay's offer was fair. He noted that WorldPay had wrongly held the amount of £1,090 for 16 days, and he didn't think that it was reasonably foreseeable that WorldPay's action would cause P to suffer losses of nearly £9,000.

Our investigator also noted that that P's director had not provided him with bank statements, but she had told him that the funds P did have available were earmarked for other purposes. Overall, he found it difficult to accept that P did not have access to £1,090 from other sources, either from its existing funds or by borrowing on a short term basis. He therefore didn't think it would be fair to hold WorldPay responsible for the losses that P claimed.

Nevertheless, our investigator did accept that WorldPay's actions had caused P inconvenience (although not distress – P is a corporate body, and is therefore incapable of suffering emotions). He said he would normally consider recommending a modest amount for inconvenience, but in this case WorldPay had already offered a total of £600. He therefore thought WorldPay should pay P £600 less any amounts already paid.

P did not accept our investigator's conclusions, and asked for the matter to be referred to an ombudsman. P said that WorldPay was fully aware that if the money was not paid P could potentially lose a team member, and WorldPay should have prevented this by releasing the

funds more quickly.

### **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 have come to the same overall conclusions as our investigator, for broadly the same reasons. I give further explanation below.

There is no longer a dispute here about what WorldPay did. WorldPay wrongly restricted P's account for 16 days, meaning that P did not have access to £1,090 of its funds. The dispute is now about fair compensation.

I have carefully considered all the evidence both parties have provided, but I am not persuaded that it would be fair for me to order WorldPay to reimburse the losses that P claims.

P has explained that it should have paid its staff member on Friday 20 September 2024 but could not do so due to WorldPay's error. P says the staff member did not turn up for work on Monday 23 September 2024 due to non-payment of wages, and has not returned.

It is of course impossible for me to be certain why P's staff member chose to leave, but it seems reasonable to assume that non-payment of wages was a contributory factor. However, even if the non-payment of wages was the sole reason the staff member left, I still wouldn't have concluded that it was fair for WorldPay to have to reimburse all the losses that P has claimed.

I would normally expect a complainant to take reasonable actions to reduce the impact of an error by a firm. In other words, I would expect a complaint to mitigate their loss. But I am not persuaded that P has done so here.

Like our investigator, I find it difficult to accept that it was not possible for P, a company with a turnover of around £100,000, to obtain access to the relatively small sum of £1,090. I acknowledge that P has said that its application for an overdraft was turned down, but overdrafts are not the only source of funds.

In any event, whilst I have not seen P's bank statements it appears that P's director did have access to the £1,090 needed to pay the staff member but chose to set that money aside for other purposes (such as future payments of rent, and future payments to other staff members). I appreciate that the director did not know at that point that WorldPay was going to release the £1,090 it was holding relatively quickly. However, I still don't think it would be fair for me to hold WorldPay responsible for any consequences of P's director's decision not to use available funds to pay P's staff member.

I agree with our investigator that WorldPay's actions did cause some inconvenience to P, but I think the £600 that WorldPay has offered (£400 of which it has already paid) represents fair compensation for that inconvenience.

### **My final decision**

My final decision is that WorldPay Limited's offer is fair. I order WorldPay Limited to pay an additional £200 (that is, a total of £600 once the £400 it has already paid is taken into account).

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 28 October 2025.

Laura Colman  
**Ombudsman**