

The complaint

Mr D, a sole trader, complains that he has been overcharged on fees associated with plastic card transactions. He holds Takepayments Limited responsible.

What happened

In October 2023, Mr D wanted his new business to be able to take card payments. He received quotes from several other providers, but chose Takepayments because of the information given to him by its representative (who I will call Mr S).

Mr D told us that Mr S promised that Takepayments would either match or better the prices offered by its competitors. He thought that meant a transaction fee of 0.3%, and no authorisation fee. However, when he got his first bill he'd been charged more than 0.3% as well as an authorisation fee of 4p per transaction.

Mr D told us that after he complained, Takepayments offered him a new contract with an authorisation fee of 2p per transaction. He said he signed that contract in December 2023, but it was never put into force – and he continued to pay fees that were higher than the fees Mr S had promised him. Mr D said that he kept trying to contact both Takepayments and Mr S to resolve the issue, but Takepayments didn't call him back as promised.

One of our investigators looked at this complaint, but he did not uphold it. Briefly, he said that he was satisfied that the charges Mr D had paid were set out in the October 2023 contract that Mr D had agreed to. He didn't think that Mr D had signed a further contract in December 2023, and overall, he didn't think that Takepayments had done anything wrong.

Mr D did not accept our investigator's findings, and so the matter was referred to me.

My provisional decision

I issued a provisional decision on this complaint, and said:

“[My] provisional conclusions are:

- Mr D was correctly charged in accordance with the October 2023 contracts that he originally agreed to. It would not be fair for me to order Takepayments to refund any fees.
- I don't have enough evidence to be satisfied Takepayments received a signed copy of the December 2023 contract.
- However, Takepayments' customer service was poor, and Mr D had to spend much more time than he should have done in attempts to resolve this matter. Takepayments should pay him £500 to apologise for its poor service.

I give more details about my findings below.

The October 2023 contracts

I'm sorry to further disappoint Mr D, but so far as the October 2023 contracts are concerned, I have reached the same conclusions as our investigators.

Mr D entered into two contracts in October 2023. One of them was with Takepayments, for the hire of a terminal. There is no dispute about that contract. The other contract was with a merchant acquirer, for the processing of card payments. Takepayments did not – and never intended to – process card payments for Mr D itself.

There was clearly a discussion between Mr D and Mr S before the October 2023 contracts were signed. But it is also clear that Mr D and Mr S have different recollections of those discussions. For example, Mr D says that a fee of 0.3% was agreed, and Mr S says that he would never have agreed such a low fee to a new customer.

I don't think it is going to be possible for me to establish exactly what was said before the October 2023 contracts were signed. Mr S has said that various different options were discussed, and I think that is likely. In the circumstances, I think it is fair for me to rely on the signed contracts to document the actual agreement reached. Whatever other options were discussed, Mr D ultimately chose to sign the October 2023 contracts. I don't think it would be fair for me to order Takepayments to compensate him for the difference between the prices actually charged under the contracts and the prices that Mr D hoped would be charged.

Discussions about potential contract changes

I can see that there was extensive correspondence between Mr D and Mr S from October 2023 onwards, primarily over Whatsapp. It's clear from their November conversations that Mr D recalled having what he called a "gentleman's agreement" over charges, but Mr S said that he recalled no such thing. Mr S did say on 21 November 2023 that he would refer the matter to his pricing team, but I can't see that he made any promises as to what future prices would be.

Takepayments offered Mr D a new contract on 14 December 2023. The prices in that contract were slightly lower than the prices in the October 2023 contract, but not as low as Mr D wanted.

Mr D told Mr S in January 2024 that he'd signed the new contract, and Mr S promised to chase matters for him. Mr D and Mr S exchanged several more messages in March 2024, and again Mr S promised to chase Takepayments on Mr D's behalf.

I can see from Takepayments' records that Mr S did indeed chase on Mr D's behalf. Mr S told Takepayments on 15 February 2024 that he believed Mr D had signed a new contract, but was being charged according to the old one. There are various messages between Takepayments' staff requesting that somebody else call Mr D, but I haven't seen evidence that anyone from Takepayments did call him. On the contrary, Mr D's evidence is that Takepayments did not get in contact with him.

Our investigators have sent several requests to Takepayments asking for its comments on Mr D's claim that he signed and returned the December 2023 contract. They pointed out that although they hadn't seen evidence Takepayments had actually received a signed copy of the December 2023 contract, it was clear that Mr D believed that he had sent a signed copy of the agreement – and that Mr S had chased the matter several times since December 2023. Takepayments did not respond to our investigators' requests for information.

In the circumstances, whilst I can't be satisfied that Takepayments ever received a signed copy of the December 2023 contract, I am satisfied that Mr D attempted to provide Takepayments with a signed copy. On balance, I think it is likely that if Takepayments had contacted Mr D – as requested by both Mr D and Mr S – then whatever problem had caused the original document to have gone astray could have been resolved. The December 2023 contract would then have gone into force.

I would ideally like to order Takepayments to backdate the December 2023 contract. But I don't think it is possible for Takepayments to do that. Takepayments was never intended to be a party to the December 2023 contract; that contract was supposed to be between Mr D and a third party (a merchant acquirer). Takepayments says the third party is not willing to backdate the contract, and I have no power to order the third party to do anything.

However, I do have the power to order Takepayments to pay financial compensation to Mr D. It isn't possible for me to say exactly how much Mr D has lost because the December 2023 agreement was not put into force. But I do note:

- Mr D took approximately 800 transactions during January 2024. The authorisation fee for those transactions was 4p (rather than 2p). That meant he paid about £32 in authorisation fees under his October 2023 contract, instead of the £16 or so that he would have paid had the December 2023 contract been in force.
- The December 2023 contract was for a minimum initial term of 18 months. On the assumption that January 2024 was a typical month, Mr D might therefore have lost something in the region of £288 (18 x £16) because the December 2023 contract was not put into force.
- Takepayments' failure to respond to Mr D's messages (including the messages passed on by Mr S) is likely to have caused Mr D to suffer distress and inconvenience. Mr D spent much more time attempting to resolve this matter than should have been necessary.

If either party considers that the assumptions I have made above are unreasonable, I ask them to explain why in their response to this provisional decision.

Looking at the matter in the round, I consider that a payment of £500 would represent fair compensation. I intend that amount to cover both the financial loss that Mr D suffered and the distress and inconvenience that this matter caused."

Mr D confirmed that he had received my provisional decision, and that he had no further comments to add.

Takepayments did not confirm receipt, and our investigator has been unable to contact its complaints department by telephone. However, I am satisfied that Takepayments has been given a fair opportunity to respond to my provisional findings (and that it has had ample opportunity to provide evidence if it wished to do so). I am therefore issuing this final decision on the basis of the information I received before I issued my provisional 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.

Neither party has provided any further arguments in response to my provisional decision. I have therefore reached the same conclusions as I did in my provisional decision, for exactly the same reasons. I now confirm those provisional conclusions as final.

My final decision

My final decision is that I uphold this complaint. I order Takepayments Limited to pay Mr D £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 June 2025.

Laura Colman
Ombudsman