

## **The complaint**

N is unhappy WorldPay (UK) Limited has withheld funds after it made the decision to end N's agreement with it. It's also unhappy with the lack of information provided about the funds that have been withheld.

## **What happened**

N had a merchant services agreement with WorldPay from 2019 which meant WorldPay processed the payments N received from its customers on its behalf. It then periodically transferred funds to N's nominated bank account.

On 3 December 2020 N requested to transfer £779,281.54 of processed payments from WorldPay to its nominated bank account with another bank ('Bank A'). The funds didn't reach N's account with Bank A and WorldPay advised N it would need to trace its whereabouts with Bank A. WorldPay then made the decision to terminate N's WorldPay account. It wrote to N confirming it would be holding the funds in the account to cover any future liabilities.

In March 2021 £308,979.29 was removed from N's bank account with Bank A and sent to WorldPay. N contacted WorldPay about this in October 2021 but WorldPay told N it hadn't received the funds. N didn't contact WorldPay again until November 2024 and again asked about the missing funds. At this point WorldPay again said it didn't hold any funds linked to N.

WorldPay later confirmed it had in fact received the two amounts at one point, but they'd been used to repay customers that had raised chargebacks against N. So when N asked about this, it no longer had the funds, but confirmed it had received them previously. It said despite using these funds to repay N's customers, around £35,000 remained outstanding that N was liable for. N disputes the amounts owed, and believed WorldPay unfairly withheld its money.

Our investigator looked into things and didn't uphold the complaint. N didn't accept this, so the complaint has been passed to me to make a 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've reached the same conclusion as the investigator for much the same reasons. It's clear there has been confusion over what funds have been withheld or taken by WorldPay. Based on the evidence I've seen I'm satisfied the amount of £779,281.54 was

returned to WorldPay after it was rejected by Bank A, and the amount of £308,979.29 was sent to WorldPay in 2021.

When N asked WorldPay about this it said it didn't hold the money. And this confusion appears to have been caused by the fact that when the money was returned to WorldPay it was then returned to numerous customers of N that had raised chargebacks. So the funds had been used to reduce N's liabilities and were technically no longer held by WorldPay which is why it informed N it didn't have the funds.

So the point for me to decide here is whether WorldPay has acted fairly in using N's funds in this way, effectively withholding the money from N.

Our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for example, if it contains security or commercially sensitive information. Some of the evidence WorldPay has provided is information that we consider should be kept confidential. This means I haven't been able to share a lot of detail with N, but I'd like to reassure it I have considered everything carefully.

Having reviewed the evidence available, I'm satisfied numerous chargebacks were likely raised, and the total amount raised under these chargebacks exceeded the £1,088,260.83 WorldPay received from Bank A. I'm also satisfied, based on the evidence provided, that WorldPay has acted fairly and reasonably in returning the funds to the customers that raised the numerous chargebacks received.

As well as the evidence provided, I've also considered the terms and conditions applicable to N's agreement with WorldPay. They say:

*"6.1 Each Chargeback and each Assessment represents a debt immediately due and payable by you to us.*

*6.2 You acknowledge and agree that you may be required to reimburse us for Chargebacks in circumstances where you have accepted payment in respect of the relevant Transaction...*

*6.6 As Chargebacks may arise a considerable period of time after the date of the relevant Transaction, you acknowledge and agree that, notwithstanding any termination of this agreement for whatever reason, we shall remain, without prejudice to Clause 8, entitled to recover Chargebacks and Chargeback Costs from you (and, where relevant, from any Person who has provided us with a guarantee or security relating to your obligations under this agreement) in respect of all Chargebacks that occur in relation to Transactions effected during the term of this Agreement."*

The terms and conditions also say:

*"5.2 In respect of any sums specified in clause 5.3 below, we may at our option (which we may exercise in our sole and absolute discretion):*

*(A) deduct or withhold such sums from, or set off such sums against, any amount we are otherwise obliged to pay you...*

Clause 5.3 sets out the list of any charges or amounts due. This includes, but isn't limited to, chargebacks, chargeback costs, claims, and any anticipated liabilities. The terms and conditions also set out that any payment due from the account holder become immediately due and remain enforceable after the termination of the agreement. So I'm satisfied N is liable for the chargebacks and related costs raised with WorldPay. And, as this money was then owed to WorldPay by N, I'm satisfied WorldPay has acted fairly in withholding and recalling funds in order to reduce this liability.

It appears in this case WorldPay didn't ask N for any evidence or information regarding the chargeback claims before it agreed to pay them and so N didn't accept them before they were paid. But based on the evidence I've seen in this case I'm satisfied WorldPay was acting fairly and reasonably in returning the money without consulting N further or requesting any further information. And I'm satisfied the terms and conditions also allow WorldPay to do this in certain circumstances.

I understand N believes WorldPay was unable to recall funds from its bank account with another provider (Bank A) in order to reduce its liability. Based on the evidence I've seen in this case I'm satisfied it wasn't acting unfairly when it made this request to N's bank.

N is unhappy that WorldPay hasn't provided more detailed information about the transactions on the account. As the investigator has highlighted, the terms and conditions say:

*"2.7... Upon the termination of this Agreement for whatever reason, we will have no obligation to retain, store or make available to you any Data, records or other information in connection with any of the Services or Transactions, Refunds, Representments, Chargebacks and Retro-Charges."*

I've also taken into account the other evidence WorldPay has provided in confidence in this case and I'm satisfied it's fair and reasonable it has decided not to provide any further information to N about the repayment due at this stage.

I've considered whether WorldPay was acting fairly in ending its agreement with N. And again, based on the evidence I've seen I'm satisfied it hasn't treated N unfairly in doing so. I'm also satisfied the terms and conditions allow WorldPay to take this action in certain circumstances, and that the relevant terms are applicable in this case.

Overall, taking the terms and conditions into account, whilst I can't provide more information to N about this, I'm satisfied WorldPay has treated N fairly and reasonably. With regards to any outstanding liability, N should contact WorldPay directly in order to make arrangements in relation to this.

### **My final decision**

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 2026.

Faye Brownhill  
**Ombudsman**