

## The complaint

P is a limited company. It complains that Lloyds Bank PLC trading as “Cardnet” has not reimbursed it for its loss after an error with its payment terminals meant payments from its customers were not processed.

## What happened

Cardnet provides merchant acquiring services to P, allowing it to take payments from customers using card terminals. P has a separate agreement with a different company for the hire of the payment terminals.

P has told us:

- Since early 2024 it has experienced problems with the terminals and they appear offline intermittently. In order to resolve this problem P was advised by the manufacturer to carry out resets to the terminals.
- In February and March 2024 P contacted Cardnet and the terminal hire company to advise it was experiencing these frequent errors and to ask for assistance.
- In April 2024, P noticed some of the payments it had taken on the terminals hadn't been funded by Cardnet. It again contacted Cardnet and the terminal hire company to let them know about the missing payments on 15 April 2024.
- Cardnet responded in late June 2024. It explained that as it was not responsible for the terminals its investigation was limited. But as far as it could see, the reset P had been carrying out as a troubleshooting response when the terminals were losing connection had been deleting the stored data for any transaction taken while the terminal was offline. As the data was being deleted, it wasn't sent to Cardnet for processing which meant the payments weren't funded.
- P remained unhappy and continued to correspond with all parties to try and resolve the situation. It also continued to use the terminals and estimates it lost around £22,000 in unfunded payments. It has since spent a significant amount of time trying to reclaim this money from its customers. Whilst due to P's efforts the loss has significantly lessened, it doesn't know if it will be able to recover all the funds.
- P believes Cardnet is at fault because it should've responded to its queries sooner. Had it done so, P would've been aware much sooner that payments weren't being funded and its loss would've been reduced. It feels Cardnet should compensate it for the loss.

Cardnet has told us:

- It isn't responsible for any of the issues P might've experienced with the payment terminals. So it doesn't feel it's responsible for the loss.
- It responded to P in June, and October 2024 to confirm the resets were deleting stored data. Which meant payments just weren't being sent to Cardnet for processing. As it can't process payments it hasn't received, it wasn't able to assist any further. It also wasn't able to carry out any further investigation into why the offline error was happening in the first place as this was an issue with the terminal and not something it was responsible for.
- It acknowledged that it didn't provide the best customer service and there were delays in responding to P's queries. In June 2024 it paid P £250 for the poor service and delays, and in October 2024 it paid a further £100 - £350 in total.

I issued my provisional decision 28 November 2025. I said that:

*P's agreement with Cardnet is that it will process payments authorised on the terminals P is using. In this case, payments haven't been funded because Cardnet isn't receiving the information required in order for it to process certain payments. And whilst it's difficult for Cardnet to demonstrate an absence of information, it has provided what it's relied on when investigating the error in this case. And based on what I've seen, I'm satisfied its conclusion that it hasn't been receiving the information required to process the unfunded payments is a reasonable one.*

*Cardnet isn't responsible for any problems with the terminals themselves. It's also not responsible for the advice to reset the terminals, or the fact that doing this has deleted payment information. So as a starting point, the solution it's proposed, which is that P will have to go back to its customers and request the payments again, is a reasonable response.*

*I understand that P feels Cardnet had more of a responsibility to it in this case. In particular it feels that Cardnet should've stepped in and dealt with its concerns when the problems with the terminals started. P believes had it done so the loss would've been prevented. But overall, I don't agree Cardnet is responsible for P's loss.*

*I understand P says it contacted Cardnet, and the terminal hire company, in February and March 2024 about the problems with the terminal. It hasn't provided copies of this correspondence, so I don't know what P told Cardnet. But based on what P has said, given problems with the terminal weren't a problem for Cardnet to fix, and given P had also sent this contact to the party that was responsible – the terminal hire company – I don't think it's unreasonable Cardnet didn't immediately respond. It wouldn't have been able to investigate or resolve a problem with the terminals and as I've said, it wasn't responsible for this.*

*In April 2024, P says it informed Cardnet and the other parties some of the payments hadn't been funded. Again, I haven't seen a copy of this correspondence but I've accepted what P has said. And at this point I think Cardnet did have more of a responsibility to consider things as it's responsible for processing payments, and P had raised a payment processing problem.*

*Cardnet took over two months to respond to this, and I agree it would've been better customer service to look into things sooner. Whilst it always would've needed some time to look into things, it's acknowledged this investigation should've been quicker. Overall it's paid P £350 in acknowledgment of the delays and I think this is sufficient.*

*P has argued that this delay in explaining the reason some payments weren't being funded is what caused the loss. But as I've said above, Cardnet wasn't responsible for problems with the terminals, which P had been aware of, and contacting the terminal hire company about, for around two months before it raised the issue of unfunded payments. Cardnet isn't to blame for the responsible party not having stepped in sooner.*

*P itself was also aware from at least 15 April 2024 some of the payments it was taking with the terminal weren't being funded and had been aware of issues with the terminal for longer than this. So I also don't accept that it didn't know there was a problem until Cardnet contacted it. P says Cardnet told P the payments were being held by Cardnet. But I haven't seen sufficient evidence Cardnet was telling P this was the case. It's written responses in June and October 2024 don't suggest this.*

*And while P has mentioned a meeting around October 2024 in which it was told this was the case, this is after Cardnet had explained the problem was likely to be with the resets P had been carrying out. This is also after Cardnet had informed P the terminal hire company would be responsible for looking into matters further.*

*I understand this situation has been an inconvenience to P. It's clear it was trying, and struggling, to receive clear answers about the problems with the terminals. But my role here is to focus on what Cardnet was responsible for. Whilst it's clear P was struggling to receive a solution from the responsible party, it doesn't follow that Cardnet would become responsible because of this.*

*Whilst Cardnet could've answered P's concerns sooner than it did, I don't accept P's loss has been caused by Cardnet overall. I'd also add it isn't clear what the loss actually is in this case. P has confirmed it has been able to recover most of the unfunded payments, and I would've expected P to try and mitigate its loss in this way even if Cardnet had been responsible for it. P hasn't confirmed if it has completed the recovery attempts, so it's also possible it will still be able to recover more of the unfunded payments.*

*I accept the recovery of the payments has caused P inconvenience and it believes this has impacted its reputation. But for the reasons given I can't fairly or reasonably hold Cardnet responsible for this. Whilst it could've provided better customer service, I think the £350 it has already paid is sufficient compensation in acknowledgement of the delays.*

Cardnet accepted the provisional decision. P didn't respond by the deadline provided.

### **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.

As neither party have responded with any additional information for me to consider, I see no reason to depart from the findings set out in my provisional decision – outlined above. Overall I think the £350 it's already paid for customer service issues is sufficient. I make no further award beyond this.

### **My final decision**

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 13 January 2026.

Faye Brownhill

**Ombudsman**