

The complaint

A limited company, which I'll refer to as S, complains that Paymentsense Limited trading as Dojo wrongly cancelled their merchant services contract, resulting in S being unable to take card payments at a busy time.

What happened

S operates in the hospitality sector.

On a Thursday in late November 2024, S requested that Dojo cancelled the card terminal at one of its trading locations. Instead, Dojo mistakenly cancelled S's entire contract.

S contacted Dojo, but Dojo were unable simply to reinstate the contract. They did not get new terminals to S until the Saturday afternoon, and these terminals were not immediately usable, as they had no charge.

S complained, saying that this was a busy period, and although it had done its best to find workarounds, the lack of card facilities had resulted in a considerable drop in takings over a three day period at a busy time.

Dojo upheld the complaint and apologised for what they said was a human error. Dojo offered to pay S compensation of 50% of the difference between the previous year's earnings and 2024's over an equivalent period. Dojo also agreed to pay the sum S claimed for costs incurred as a result of the error, including taxis and alternative terminals.

S rejected Dojo's offer and referred its complaint to the Financial Ombudsman. It said 2024's trading was far higher than 2023's and it calculated its loss at £26,550, including direct costs.

One of our investigators looked into what had happened and thought Dojo had not done enough to put things right. She recommended that Dojo pay the full difference between 2024's takings and 2023's, plus the fixed costs and £150 for the inconvenience caused.

S was content with our investigator's view, but Dojo disagreed and asked for an ombudsman's review. They thought their offer of £3,200 plus £306 for direct costs was fair.

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 our investigator, for essentially the same reasons. I'll explain why below.

There's no dispute about what happened here or who is to blame. Dojo has acknowledged a human error on their part. The matter for me to resolve is the question of what compensation is fair for the consequential losses stemming from that error. Dojo did not explain why they

made an offer of half the difference between 2024's trading and 2023's. They have, however, maintained that they are not obliged to make an offer at all.

S has provided evidence of projected earnings over the period, which are higher than 2023's. It has also provided evidence of actual earnings over the two weekends prior to the incident and the equivalent weekends in 2023. From this, I can see that takings were substantially higher on one of those two weekends and a little higher on the other weekend.

I've thought carefully about this, but I don't think this evidence shows a clear enough trend for me to make an award based on projected earnings. However, the evidence does show an improvement year-on-year, so I think I can reasonably conclude that S would have made at least as much as over the equivalent weekend in 2023. My conclusion is therefore that our investigator's recommendation, that Dojo pay compensation based on the total difference between 2023's trading and 2024's, is fair.

In deciding this, I have taken into account the contract entered into by the parties, which Dojo says means that it does not have to pay anything at all. The contract says:

"We will not be responsible to you in any circumstances for losses arising under or in connection with the agreement that are indirect or are a direct or indirect loss of income, profit, goodwill, business contracts, opportunities, anticipated savings or damage to your reputation We will not be responsible to you in any circumstances for losses arising under or in connection with the agreement that are indirect or are a direct or indirect loss of income, profit, goodwill, business contracts, opportunities, anticipated savings or damage to your reputation."

This is a very broadly-worded clause. But in the specific circumstances here, I don't think it is fair for Dojo to rely on this clause to excuse themselves from liability. I say this because Dojo has acknowledged that the error was entirely theirs. It seems to me to have also been entirely preventable (by Dojo) and unforeseeable (by S). And Dojo themselves made an offer of £3,506 in recognition of this.

I've also considered whether S took suitable action to mitigate its losses and I've concluded that it did. I'm satisfied that S did everything that could reasonably be expected to get round the problem and minimise the impact on takings, including buying SumUp terminals and sharing out terminals from other premises, as well as contacting Dojo as quickly as possible and emphasising the urgency of the problem.

Putting things right

I think it is more likely than not that S's takings would at least have equalled those of the equivalent period in 2023, were it not for Dojo's error. As a result, I think it's fair for Dojo to pay compensation of 100% of the difference between the two periods, amounting to £6,401.

I also agree with our investigator that S incurred inconvenience as a result of this error and the efforts it had to make to minimise its impact. Given the short duration of the event, I agree with our investigator that an award of £150 is sufficient and fair to compensate for the trouble caused.

In summary, I am directing Dojo to pay:

- £6,401, being the difference between S's takings and the same period the previous year.

- The direct costs incurred by S (and already offered by amounting to £306.39).
- Compensation for inconvenience of £150.

I am unclear as to whether Dojo has already paid the compensation it initially offered or not. If they have already paid the amount offered, then they should deduct that amount from the total compensation set out here.

My final decision

For the reasons set out above, I uphold this complaint and direct Paymentsense Limited trading as Dojo to pay compensation as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 5 February 2026.

Louise Bardell
Ombudsman