

The complaint

P is a company, which is represented in bringing this complaint by its director, whom I'll refer to as "Mr T". P's complaint is that GoCardless Ltd delayed the closure of its account and wrongly retained funds.

What happened

GoCardless is a payment service provider which enables its customers to collect bank payments. P opened an account with GoCardless in March 2022 and began processing payments.

In April 2022 GoCardless concluded that it needed more information about P's business and asked P to provide it. P complied with the request and some follow-up queries, but by May 2022 it had concluded that it did not want to continue with the account and asked that it be closed.

Following further exchanges, GoCardless said that it could not close the account because of pending payments. Mr T followed up on the intended closure, but the account remained open.

In March 2023 Mr T asked about the outstanding balance of more than £8,000 on the account. GoCardless accepted that there had been delays in dealing with the closure, and that it had not explained the process as well as it should have. It also explained that, in line with the account terms, any funds held to the credit of T's account would need to be returned to its customers. It said it would arrange for that to happen.

In April 2025 Mr T said he had received complaints from customers who had not received refunds. P's account dashboard showed a balance of more than £7,800, which it demanded that GoCardless pay. GoCardless said, however, that it did not hold any funds belonging to P.

Subsequently, Mr T noticed that 46 payments were showing as having been charged back. He believed that GoCardless had falsified these claims – they had not been made by P's customers.

P referred the matter to this service. GoCardless said that it had issued a *final response* in March 2023 and that, since the complaint had been referred to this service more than six months after that, this service had no power to consider it. After further discussion, GoCardless accepted that P had raised new issues in April 2025, which had not been part of the complaint raised in March 2023, and so this service could look at the "new" complaint.

Our investigator considered what had happened. She noted that GoCardless had acknowledged there had been errors in its handling of the matter. It had delayed in closing the account and that the refunds made in April 2025 should not have been marked as chargebacks. But she considered that an apology was sufficient to resolve matters.

Mr T did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

There is of course a degree of overlap between the complaints brought in March 2023 and April 2025. And GoCardless is correct in pointing out that we cannot generally consider a complaint which is referred to us more than six months of a *final response*.

The complaint made in April 2025 primarily concerned the retention of funds, although it also mentioned delays in closing the account and the way customer refunds were handled.

I shall deal first with the issue of who was entitled to the funds showing as a credit on P's account. GoCardless said when dealing with the first complaint that, on closure of the account, P's customers were entitled to refunds. P did not raise that as a complaint with this service within the six-month time limit, so I do not believe I can conclude that it is not correct.

The funds were not, however, returned to P's customers for a further two years. I have therefore considered whether P should be compensated for that. As Mr T says, this service can award, and it will often do so where a complainant is deprived of funds. But I agree with the investigator's analysis here, which is that it cannot properly be said that P was deprived of funds. Had things proceeded as they should have done, P's customers would have received refunds some two years sooner than they did. But P would not have had those funds, and it cannot properly be said therefore that it was deprived of them. It would not be fair therefore to make an award of interest.

For the avoidance of any doubt, I do agree that were significant delays in closing the account and dealing with the funds, but I am not persuaded that P has suffered any loss as a result, and so compensation is not appropriate.

GoCardless has also acknowledged that classifying the refunds as chargebacks was an error. Again, however, I have not seen any persuasive evidence of any actual loss which P might have suffered as a result, and I agree with the investigator that it would not be fair to require GoCardless to pay any compensation.

My final decision

For these reasons, my final decision is that I do not uphold P's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 6 March 2026.

Mike Ingram
Ombudsman