

The complaint

W complains WorldPay (UK) Limited didn't carry out proper checks when setting up a merchant services agreement resulting in it being chased for payments it didn't owe as well as reputational damage and considerable inconvenience.

What happened

W is a small business.

In October 2023 W contacted WorldPay asking why it kept on sending it letters demanding payments in relation to a card machine. As a result W discovered that WorldPay had accepted a fraudulent application for a card machine using its details. W complained about this saying that the application wouldn't have been accepted had WorldPay carried out proper checks and that it wouldn't have received the demands for payment it did or suffered the reputational damage and inconvenience it did.

WorldPay looked into W's complaint and agreed that the application was fraudulent and said that it had taken appropriate action regarding the account. WorldPay apologised for any inconvenience caused and subsequently confirmed that the fraudulent account was terminated on 24 October 2023.

W was unhappy with WorldPay's response and complained to our service.

One of our investigators started looking into W's complaint and asked WorldPay for some information. In response WorldPay said that W wasn't an eligible complainant because it had no relationship with WorldPay. WorldPay said that it appeared two accounts had been set up via impersonation fraud in W's name – both of which had since been terminated.

W subsequently sent our investigator multiple letters from WorldPay sent to its address chasing arrears despite WorldPay having said the account had been closed as it had been opened fraudulently and the arrears written off and despite WorldPay having said that W wasn't an eligible complainant.

Our investigator didn't agree that W wasn't an eligible complaint saying that WorldPay had been pursuing W for a debt and had even threatened W with bailiffs.

WorldPay didn't agree with our investigator saying that the correspondence it had sent to W's address demanding repayment was correspondence sent to a fraudster using W's name and address – in other words, demanding payment from a sole trader – rather than correspondence sent to W – a limited company not a sole trader. WorldPay said that W should have ignored those letters, that nothing was owed by W and no adverse information has been recorded against W. In the circumstances, WorldPay also said it wasn't clear what more it could be expected to do.

Our investigator recommended £300 in compensation for the trouble and upset caused. W accepted our investigator's recommendation but said that it was still being chased by a third party for a debt – who I'll refer to as "A" throughout the rest of this decision – as a result of

the fraudulent application having been accepted. WorldPay also accepted our investigator's recommendation and asked for W's bank details.

Our investigator asked WorldPay about the third party that was chasing W for a debt as a result of the fraudulent application having been accepted. They asked WorldPay whether it not it would write to that third party to explain that W was a victim of fraud. WorldPay declined to do so.

Ultimately WorldPay asked for W's complaint to be referred to an ombudsman. W's complaint was, as a result, passed to me.

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.

Last month I issued a detailed provisional decision upholding W's complaint. In that decision I said I would have awarded between £500 and £1,000 in compensation had the parties not agreed to £300 at view stage. And that I'd make a final decision on that once both parties had replied. In addition I said that I was minded to require WorldPay to remove W's address from its system – so that I was minded to require WorldPay to remove W's address from its system – so that W no longer receives any correspondence from WorldPay chasing debt – and to write to A to let it know that it has concluded this particular application was a fraudulent one and that the fraudster used an innocent third party's address so that the address will hopefully be removed from A's records. I said that, in theory, should mean that W stops receiving correspondence from A in connection with this fraudulently opened agreement. WorldPay has already confirmed that it has let A know this account was closed due to fraud in a bulk notification, but that evidently hasn't resolved the issue. Both parties were invited to comment and both did.

WorldPay sent extensive and detailed submissions explaining why it didn't agree with my provisional decision. Those included submissions as to jurisdiction and eligibility, the fact that I'd taken its onboarding checks into account, the correspondence pursuing debt and the alleged reputational damage, inconvenience, and impact, amongst other things. W gave more details of the impact this had had on it, including the damage to its reputation.

Having considered both parties' submissions carefully, I remain of the view that this complaint should be upheld and – having now received responses from both parties – I'm going to require WorldPay to pay W £1,000 in compensation as well as the additional steps I mentioned about removing W's address from its system and writing to A. I've already let WorldPay know that most of its comments go to issues I addressed in my provisional decision. But there is one that I'll mention again as I'm satisfied it's a key point for WorldPay.

In my provisional decision I said:

“Broadly speaking WorldPay's response to this complaint – and the position that W finds itself in – has been to say that W can simply ignore the correspondence it receives because despite the correspondence going to its place of business and seemingly being addressed to it, the correspondence is actually being sent to a sole trader and not a limited company so it isn't correspondence that's intended for it. From a technical point of view WorldPay might have a point, but from a practical and human point of view it isn't an argument that I consider compelling, helpful or realistic. As far as W is concerned it is being chased for two sets of debts as a result of a fraud in relation to which it is a victim. The fact that WorldPay continued to send letters to W's premises – chasing the debt it is owed – seemingly address to W after arguing that W

isn't an eligible complaint doesn't help its case. In short, and for those reasons, I don't agree that this isn't a complaint we can't consider."

In its detailed submissions WorldPay repeated this argument and to an extent elaborated on it too. I've considered those submissions very carefully, but remain of the view that this argument is neither compelling, helpful, or realistic. And that as far as W was concerned it was being chased for two sets of debts as a result of a fraud in relation to which it was a victim. I also remain of the view that the fact that WorldPay continued to send letters to W's premises – chasing the debt it was owed – seemingly addressed to W after arguing that W wasn't an eligible complainant didn't help WorldPay's case. In short, I remain of the view that this is a complaint we can consider.

Putting things right

As I've already mentioned, I'm going to require WorldPay to pay W £1,000 in compensation. In addition, I'm going to require WorldPay to remove W's address from its system – so that W no longer receives any correspondence from WorldPay chasing debt – and to write to A to let it know that it has concluded this particular application was a fraudulent one and that the fraudster used an innocent third party's address so that the address will hopefully be removed from A's records. That, in theory, should mean that W stops receiving correspondence from A in connection with this fraudulently opened agreement. WorldPay has already confirmed that it has let A know this account was closed due to fraud in a bulk notification, but that evidently hasn't resolved the issue. I'm going to require WorldPay to provide W with a copy of the letter it sends to A so that W has a copy for its own records.

My final decision

My final decision is that I'm upholding this complaint and require WorldPay (UK) Limited to take the steps I've set out above in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 17 March 2026.

Nicolas Atkinson
Ombudsman