

## **complaint**

S is a limited company and its complaint is brought by its representative, Mr B. Mr B complains that WorldPay (UK) Limited is chasing S for a debt that is not properly owed.

## **background**

S took a merchant services facility to enable it to accept plastic card payments. Mr B says he knew that WorldPay was providing processing services for this facility, but was not ever told that this would incur a separate monthly fee.

When WorldPay was unable to collect the monthly fee under direct debit, a debt accrued which it tried to collect from S. Mr B does not consider that WorldPay can fairly expect S to pay this debt in the circumstances.

WorldPay says that it was made clear at the outset to Mr B that it would provide processing for S's merchant services facility, and what that would cost. It also says it sent an itemised statement to S each month. But it accepts that it should have contacted Mr B about the problem before instructing collection agents and so it wrote off the monthly charges to date, leaving a reduced debt caused by refunds which WorldPay had made to customers on S's behalf.

As things weren't settled, Mr B brought S's complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator was satisfied that WorldPay's role in the merchant services facility, and the charges that would apply, had been set out in the paperwork Mr B had signed on behalf of S.

The adjudicator felt that the refund which WorldPay had already made was fair compensation for its failure to contact Mr B sooner. WorldPay told the adjudicator that it was willing to discuss a repayment plan with Mr B for the debt, and the adjudicator considered that the overall steps taken by WorldPay were enough to settle the complaint.

Mr B did not agree with the adjudicator and said, in summary:

- The merchant service was initially mis-sold to him by a third party business and his allegation of mis-selling has not been properly addressed.
- This was all done by phone, and not face to face as WorldPay says. WorldPay is lying and should be required to provide documentary evidence to support its case. He made an initial application, which he subsequently cancelled within the cooling-off period. He also cancelled the direct debit he had given for that application. He then made a further application through the third party, for a better deal.
- He accepts that he was told the package would be administered through WorldPay, but he was assured that he would have only one monthly payment to make. He took what he was told on trust, as this was just one of many issues that he was trying to deal with to get S up and running.
- He did not expect anyone to try to catch him out, and so signed the paperwork without reading it thoroughly. But he would not normally expect to have to read the small print, as there has to be an element of trust in such transactions.

- When he saw that WorldPay had started to take monthly payments under the second direct debit mandate, he cancelled that one as well. He is amazed that the ombudsman service finds it acceptable for a financial business to continue to offer a service which had gone unpaid for over a year. Whatever it might say in the small print, it was not unreasonable for him to cancel a direct debit for a service that he did not require.
- He did not receive any of the statements that WorldPay says it sent to him over the period; the first communication he received was from the collections agent. When he got in touch, he was assured that there was no debt owed and it must be a mistake.
- He didn't realise that the refunds he was processing for customers were being paid by WorldPay. He assumed that they were being paid by the third party through which he had taken the facility.
- In the circumstances, he still believes that WorldPay should not make S pay this debt. He also does not consider that he should be required to pay any early termination fee.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There is now only limited information available about the sales process that Mr B went through with the third party business. Mr B is adamant that this all took place by phone, and that he received repeated assurances from this company that, although the facility would be administered by WorldPay, there would be no additional charge for that.

The third party provided the secure hosting page for S, while WorldPay processed the transactions and credited them to S's bank account. It is normal to pay for both these services, and Mr B needed WorldPay's involvement in order to get the money from the card payments into S's account. I do not consider that the arrangements made in Mr B's case were unusual in that regard.

Mr B accepts that he did not read the paperwork thoroughly before he signed it. But he clearly noticed when WorldPay started to take payments, because he cancelled the direct debit so that it could not take any more. The position seems to have been complicated to some degree by the fact that Mr B had initially applied to WorldPay and then cancelled the first application, applying again through a third party because this enabled him to get better pricing.

WorldPay accepts that it should have got in touch with Mr B a lot sooner than it did – the fact that it did not was down to a mistake on its part. That is why it has already written off the unpaid monthly charges. Put simply, this refund means that S has received free processing from WorldPay for a period of around two years. Even if Mr B had appreciated at the outset that there was a separate monthly fee for the processing, I do not see that he could have gone elsewhere and have got the same thing provided free.

Similarly, S would have expected to pay for the refunds that it made to its customers, whichever financial business processed them. It seems that Mr B did not notice that the refunds were never taken out of S's bank account, and I can see that the accrued debt will have been an unwelcome surprise. But WorldPay has said it is willing to discuss a suitable repayment arrangement, and is not insisting that S pay it all at once.

The monthly statements appear to have been set up with the same name and address details as those used by WorldPay when it instructed the collections agent. There is no obvious explanation of why Mr B got the collections letter but not the earlier statements. I am satisfied, on balance, that these were properly sent even if Mr B did not receive them.

Overall, I find that the refunds WorldPay has already made, together with its willingness to agree a repayment plan for the remaining debt, represent a fair and proportionate settlement of this dispute.

### **my final decision**

My final decision is that I do not uphold this complaint, because WorldPay has already done enough to settle things fairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B (on behalf of S) to accept or reject my decision before 12 October 2015.

Jane Hingston  
**ombudsman**