

complaint

G complains that FDR Limited incorrectly changed the company's trading name on its merchant account which caused it financial losses and reputational damage. G is represented in this complaint by a director.

background

G had a merchant account with FDR Limited. FDR Limited incorrectly changed G's name on its merchant account for three days in early October 2012. FDR Limited admitted its error, apologised to G and agreed that if any chargebacks arose as a result of its error, it would cover the charges and ensure that G was credited any funds due. G was not satisfied with FDR Limited's offer so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He was unable to safely conclude that all of the chargebacks raised were a direct result of FDR Limited's error. He also concluded that FDR Limited had covered G's immediate losses – which was fair and reasonable – and that this service was unlikely to award substantial damages for reputational loss.

G's director says, in summary, that G appealed every chargeback but they were rejected by FDR Limited, that the chargebacks arose as a result of FDR Limited's error and that, before the error, it had no chargebacks at all. He says that the reputational damage and financial loss to G is in excess of £200,000.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

FDR Limited accepts that it made an error. It apologised for that error and agreed to compensate G for the losses directly arising from that error. I consider that to be fair and reasonable. G says that its losses are significantly larger than those direct losses. It says that it has experienced a considerable increase in the number of chargebacks that it has received (and that its defence of the chargebacks has been rejected by FDR Limited) and that it has suffered reputational damage.

I am not persuaded that there is enough evidence for me to be able to safely conclude that the chargebacks arose solely and exclusively as a result of FDR Limited's error or to show the extent of any reputational damage to G. I therefore do not consider that it would be fair or reasonable for me to require FDR Limited to pay any compensation to G, beyond the offer that it has already made.

G has said that it will take legal action to recover its losses. This decision does not affect its right to take any such action.

my final decision

For these reasons, my decision is that I do not uphold G's complaint.

Jarrold Hastings
ombudsman