

complaint

Mr T complains that WorldPay (UK) Limited failed to tell him about arrears accruing on one of his accounts.

background

Mr T had merchant services arrangements with WorldPay for his business. WorldPay contacted Mr T to say that there was an unpaid debt on his account, caused by failed direct debits. Mr T says that as far as he was concerned, he only ever had one account and that his payments had been made correctly each month to WorldPay.

He says that WorldPay was not able properly to account to him for the debt that it said he owed it – and he cannot understand why, if any monthly payments were missed, WorldPay allowed three years to pass before telling him.

WorldPay said that Mr T's merchant account had two elements – a payment gateway and payment processing. While Mr T had paid his monthly bills for processing, the bills for the payment gateway had gone unpaid for some three years and that was how the debt had accrued. It said that, as Mr T was unwilling to pay the debt, it had suspended the payment gateway.

As things were not settled, Mr T brought his complaint to this service where an adjudicator investigated it. Following the adjudicator's involvement, WorldPay offered to reduce the outstanding debt by £200.

From the evidence, the adjudicator was satisfied that Mr T had agreed to take the payment gateway and that WorldPay had, therefore, been entitled to require him to pay bills for both services each month. The adjudicator accepted that WorldPay had successfully sent electronic invoices for the payment gateway fees to the correct email address each month.

Whilst the adjudicator appreciated that Mr T could not understand why WorldPay had waited so long before chasing up the payments, she did not feel that WorldPay was obliged to write off the debt.

As well as offering to reduce the debt by £200, WorldPay had also said Mr T could repay the remaining debt through a repayment plan if he wanted to. The adjudicator concluded that this was a fair way to resolve the dispute.

Mr T did not agree and said, in summary:

- It was not fair for WorldPay to suspend a fully paid-up account, causing him hardship. If he had realised about the additional account he would have closed it three years ago. He doesn't remember the call three years ago during which WorldPay says the account was set up, and would like to be given a recording of it.
- He still does not understand what he has been paying for each month, if not for the payment gateway.
- It was unacceptable for WorldPay to wait three years before asking him to pay. If he had been sent an arrears notice after the first payment was missed, he could have cancelled the account and the debt would not have accrued.

- WorldPay seems to be saying that the discussion he had with it in 2015, when he was offered an improved pricing tariff, related to the account with the debt. In that case, why didn't WorldPay mention the debt? It is not fair for it to expect him to pay for the period after that.
- WorldPay says it emailed him, but he says it didn't. The adjudicator has chosen to believe WorldPay. It's odd that he received the email about the debt, but not the ones containing the invoices.
- As his account was suspended and cancelled on the same day, the debt should not have increased at all. And he should not have continued to receive bills for a service that had been suspended.

After considering Mr T's additional points, the adjudicator approached WorldPay for further information and to get its response. That led to WorldPay agreeing to:

- write off the invoices for the payment gateway over and above the original debt of £670.79;
- write off the subsequent invoices Mr T had received in relation to the processing account; and
- reduce the outstanding debt on the gateway account by £250 (rather than by the £200 originally offered).

Mr T did not accept the revised offer and asked for his complaint to be reviewed by an ombudsman – as he had a right to do, under our rules.

my findings

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

I can readily understand why Mr T found it difficult to accept that a debt had been accruing on his account for some three years without WorldPay mentioning it or chasing him for any payment. The passage of time was not, however, such that WorldPay was no longer entitled to ask Mr T to repay the debt.

At the time, WorldPay explained to Mr T that this debt related to an account for his payment gateway – a different account from the one on which Mr T paid each month for his payment processing.

The gateway facility was put in place when Mr T discontinued use of the card terminal he had previously used to take payments – and it enabled his business to take payments online. It carried a charge, and that was separate from the charge Mr T paid each month to have the payments processed.

Because of the time that has elapsed since the payment gateway was set up, there is no recording of the conversation between Mr T and WorldPay at that time. But the paperwork supports WorldPay's case that the facility was requested by Mr T. Without it, he could not take payments – so he could not have cancelled that account even if he had been chased for the arrears when they first started to accrue.

I accept that Mr T had not fully appreciated that he had (and needed) two accounts with WorldPay. So, when he agreed to a better tariff on the gateway account in 2015, he thought he was talking about his processing account.

Ideally, the person with whom he spoke at that time would have had access to the account and would have mentioned the arrears. But this was a call about tariffs, and that did not happen. I don't consider that this means WorldPay could not add to the debt after 2015.

The evidence submitted by WorldPay is, in my opinion, enough to show that it sent Mr T electronic invoices for the gateway account each month to his correct email account. It's not clear why Mr T did not receive them at the time. WorldPay's responsibility was to send them out correctly and I find, on a balance of probabilities, that it did so.

I appreciate that Mr T was very unhappy about having his account suspended by WorldPay, a step that he clearly feels was unfair and too hasty in the circumstances – and which he says caused him hardship.

However, Mr T had earlier told us that he cancelled his WorldPay agreement and signed up with another provider the same day, so it seems that he was able to make replacement arrangements without difficulty.

Taking everything into account, I find that the current offer is sufficient to settle things fairly. Given that, I do not intend to make any additional award.

my final decision

My final decision is that I direct WorldPay (UK) Limited to:

- write off the invoices for the payment gateway account over and above the original debt of £670.79;
- write off the subsequent invoices Mr T has received in relation to the processing account; and
- reduce the outstanding debt on the gateway account by £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 December 2016.

Jane Hingston
ombudsman