

The complaint

A company which I'll call 'D' complains that WorldPay (UK) Ltd treated them unfairly by applying the wrong fee rate to certain transactions.

The complaint is brought on D's behalf by its director, Mr P.

What happened

D told us:

- In February 2019 they had signed up with another provider, however based on promises made by WorldPay regarding service and costs they cancelled this agreement and signed a new contract with WorldPay.
- They didn't receive confirmation on the terms of the contract and weren't made aware that the pricing they had initially agreed upon could change – provided they were given written notice. And the terms provided by WorldPay are dated 7 months after they signed their agreement.
- Worldpay unfairly increased the fees and charges on their account and despite being asked, haven't provided evidence that D was made aware of these increases. They also haven't had an account manager to discuss these changes with since they signed their contract.
- WorldPay hadn't provided the information they had requested about the fee increases

WorldPay told us:

- As per its agreement with D, it had sent email confirmation giving the two-month warning of the fee and charge increases to the email address it held on file - which D confirmed they'd received other emails into.
- The emails had been addressed to the business rather than Mr P personally as its agreement was with D.
- It didn't offer account managers to small and medium business customers.
- It was unable to provide the proof D wanted that the emails were sent as this contained confidential information.

Our investigator didn't recommend the complaint be upheld. She said she was satisfied WorldPay had contacted D when it had increased its charges and given them two months to cancel their agreement in line with the terms and conditions, and that this had been sent to the correct email address.

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.

Having done so, I've decided not to uphold it. I'll explain why.

D says that they have been treated unfairly by WorldPay as it didn't make them aware of the fee increases that had taken place since they signed their contract in 2019 – but I'm not persuaded that's the case. I say that because I've seen evidence that emails advising WorldPay customers of fee increases were sent to the email address it held on file for the company – it is also the same email address D had corresponded from to WorldPay, and the email address provided to this service for D. D has also confirmed that it received other emails from WorldPay so I think it's unlikely the business used a different email address simply to send the increase in fees to.

I've also seen evidence from WorldPay that shows D was included in its customer mailout to advise of the fee increases, and it has told us there was no 'bounce back' to say that the email hadn't been received as expected – which would have alerted it that there was an issue and it needed to contact D using an alternative method. So I think it was reasonable for WorldPay to believe that D was aware of the increase in charges. D has queried why the email evidence they were given were headed 'test' and addressed to them, rather than Mr P, as they believe this means the emails weren't generated at the time. However WorldPay has explained this is due to how historic emails are retrieved from its system and they are addressed in that way as its relationship is with D rather than just Mr P – I think this is reasonable and I'm not persuaded this means the emails weren't sent.

I acknowledge that D has requested this information from WorldPay and is unhappy that this information hasn't been shared with them. However, WorldPay has explained that this is because some information was held on a legacy system which is no longer available and the information which is available contains other customer information. It has provided us with evidence showing fee emails and letters were dispatched to D. And based on what I've seen, I think it's likely that's the case.

However, even if I accepted D's view that the emails weren't received, I've seen that the monthly invoices provided to D do show the breakdown of each of the fees they were charged. I think it's reasonable to believe that if WorldPay's fees had increased so frequently and by so much, that D would no longer want to continue with their contract, D ought reasonably to have seen this on their monthly invoices within the two-month period given by WorldPay to exit the agreement – or potentially renegotiate the fees as they did at a later date.

D is also unhappy that they haven't had an account manager since 2019 to make them aware of the fee increases. However, WorldPay has told us that it doesn't offer account managers to small and medium size businesses. I recognise that D believes this is unfair, however this is a commercial decision that WorldPay is able to make in how it chooses to provide a service to its customers, and I haven't seen anything in the evidence provided by both parties that says this was part of the service that D had signed up for – or indeed on which the agreement was based. So I don't think WorldPay treated D unfairly.

D says they have now moved to a new merchant services provider who is offering lower fees similar to those originally offered by WorldPay, so the increase has been purely profit related rather than due to costs of providing the service. It's not for me to tell a business how much it can charge its customers, that's a commercial decision it can take. I would only intervene if I thought its customer had been treated unfairly, and I'm not persuaded that's the case here. WorldPay has explained in its correspondence to D that some of the increases to fees and charges have been imposed by the card providers, and therefore were outside of its control. And with regards to the other fees, I think WorldPay's terms are clear that if a customer is unhappy with any increases, they are free to exit their contract within two months of receiving the notification of any increase. So customers aren't obligated to stay and can seek

an alternative provider without incurring a penalty – which is the action D took. So I can't reasonably say WorldPay did anything wrong here.

I recognise that Mr P will be disappointed with this as he wanted WorldPay to refund all the increased fees and charges D had incurred since taking out their agreement. However, based on what I've seen, I don't think WorldPay is responsible for the financial detriment that Mr P believes is the case – so I won't be asking it do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 25 August 2023.

Jenny Lomax
Ombudsman