

The complaint

Mr H complains about the actions of SumUp Payments Limited. He said it sent him a message suggesting that somebody had logged in to his SumUp account from Stroud, but he later discovered that may not have been true.

Mr H went on to complain that the gross incompetence and nonchalance of SumUp's employees had wasted his time and energy. He told us that he suffers ongoing unease because he is still not satisfied that no fraudulent activity occurred on his account.

What happened

In January 2023, Mr H had a SumUp account which allowed him to take payments from plastic cards.

On 2 January 2023 SumUp sent Mr H a message with the title "Did you log in with a new device?". The body of the message said:

"We've noticed that a new device was used to log into the account [details of Mr H's account] with your Profile.

When: 1/2/23 9:38 am
Location: Stroud, GB [IP address]
Device type: Windows, Chrome

If this was you, you can ignore this email. However, if you don't recognise this device, we strongly recommend that you reset your SumUp password now [link to password reset].

If you ever have any concerns or notice something unusual about your SumUp Profile, please contact our support team [link to contact details]."

Mr H was very concerned by this message, and immediately changed his password. Shortly afterwards, he complained to SumUp and explained that he was not in Stroud on 2 January 2023, or indeed at any other time. Mr H was not satisfied with SumUp's response to his complaint, and referred the matter to our service.

One of our investigators looked at this complaint, but didn't uphold it. He thought the reference to Stroud might be because Mr H was using a virtual private network (VPN). He was satisfied that SumUp had looked into the matter and found no fraudulent activity, so Mr H's account was not compromised. He also thought SumUp had investigated the matter quickly and sufficiently, then explained its findings to Mr H – so he didn't ask SumUp to do anything further.

Mr H did not accept our investigator's findings. Briefly, he thought that both our investigator and SumUp had glossed over the issue. He said that SumUp did not investigate the matter quickly; on the contrary he waited at least two weeks for an outcome. It refused to let him speak to a manager, and provided factually incorrect information about his own logins, in

that it said he only ever accessed his account from one device whereas in fact he has accessed it from both his phone and his laptop.

Mr H was also concerned about our investigator's mention of a VPN, which he said was speculative. Mr H made clear that he doesn't believe anybody should speculate when dealing with fraud.

Overall, he considers that either somebody in Stroud logged into his account, or SumUp made an error in sending the notification – and in either case he should receive compensation.

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.

Mr H is right to say that it is possible somebody else attempted to log into his SumUp account on 2 January 2023. I think that is exceptionally unlikely, for reasons that I will go on to explain, but I cannot entirely exclude the possibility. However, even if an unknown third party did attempt to gain unauthorised access to Mr H's SumUp account, I've seen no evidence to suggest that SumUp was at fault. So I wouldn't award compensation in that case.

The login referred to in SumUp's warning message happened at exactly the same time that Mr H logged on himself. Neither party has provided any evidence to suggest that anybody tried to make unauthorised changes to Mr H's account. It therefore seems extremely unlikely that the attempt was made by a fraudster. It seems much more likely that the login attempt was made by Mr H himself. But that leaves the question of why SumUp's message mentioned Stroud when Mr H was not in Stroud at the time.

SumUp and our investigator both raised the possibility that Mr H was using a VPN, which can disguise the location from which a computer is connecting to the internet. I know Mr H was not persuaded by that explanation, but I do think it is possible. Another possibility is that the reference to Stroud was simply a mistake. I am aware that IP geolocation – the mapping of a computer's IP address to its real world geographic location – is not precise. IP geolocation is generally (but not always) accurate at country level, but it is often less accurate for towns/cities within countries.

I don't know whether SumUp's message mentioned Stroud because of a VPN, an IP geolocation error, or for some other reason. But I am satisfied that I do not need to know that in order to reach a fair and reasonable outcome to this complaint, because I would not award compensation in either case.

Like many providers, SumUp sends messages to its customers when it detects anything unusual about a login. Those messages are a fraud prevention measure, but they are not guaranteed to detect fraud. Sometimes, as appears to have been the case here, there are false positives where SumUp's systems detect something unusual even though the login attempt is genuinely from SumUp's customer. But regardless of whether the reference to Stroud here was an error, all SumUp's message did was alert Mr H to the possibility of fraud.

Mr H has suggested that if Stroud was not involved, then SumUp has made a mistake and he should be awarded compensation. I cannot be sure that SumUp did make a mistake, but even if it did I don't think it would be fair for me to award compensation. I say that because:

- Mr H changed his password because of SumUp's message, but it is sensible to do that on a regular basis anyway. I don't think the inconvenience of changing a

password should automatically lead to a compensation payment.

- Mr H was clearly distressed by the possibility that a third party had accessed his account. But at no stage was there any suggestion that Mr H had lost money. In addition, any use of a service like SumUp's comes along with a risk of fraud, and there is nothing that either Mr H or SumUp can do to completely remove that risk. But they can take actions to reduce that risk – and one of the actions SumUp can take is to implement a system to send messages to customers whenever it detects unusual activity. I don't expect such systems to be perfect, and so I don't think it would be fair for me to make a financial award in the event of a false positive or a mistake over geographic location.

More generally, Mr H is clearly deeply unhappy with SumUp's customer service, and with the speed and accuracy of its responses in relation to this issue. But I consider that SumUp did act appropriately. I do not criticise it for its speculation over the VPN issue; I consider that it was simply trying to explain what might have happened. In any event, I've seen nothing to suggest that Mr H has suffered a financial loss as a result of the issues he complains about.

I also accept that Mr H is suffering ongoing distress because he cannot be certain that no fraudulent activity occurred on his account, and I am very sorry to hear that he has found this episode so difficult. However, my view is that overall SumUp treated him fairly, and so I make no award.

My final decision

My final decision is that I do not uphold this complaint about SumUp Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 November 2023.

Laura Colman
Ombudsman