

The complaint

A company, which I'll refer to as E complain that WorldPay Limited (WorldPay) unfairly and arbitrarily increased their card processing fees. E is also unhappy that certain charges WorldPay recovered from it were duplicated.

In bringing this complaint, E is represented by its director who I'll refer to as Mr B

What happened

The background to this case is well known to the parties so, I won't repeat it in detail.

Briefly:

- In 2005 E signed a Merchant Services Agreement (the Agreement) with WorldPay to process card payments made by its customers. E was charged a fee of £219.95 plus VAT annually (the Fee).
- WorldPay revised the Fee effective from 1 January 2021 and in October 2020 sent E a letter alerting it to the proposed change.
- From January 2021 onwards, E was required to pay a new amount of £100 plus VAT, on a monthly basis.
- However, in error WorldPay failed to terminate the old fee arrangement and this led to E being wrongly charged two sets of annual fees totalling £527.88.
- WorldPay acknowledged their error and refunded the overcharged amount. Furthermore, they gave a £50 credit to E as compensation for the inconvenience this caused.

Mr B acknowledged WorldPay did put these concerns right. But he told WorldPay that they'd charged E other unexplained fees that were no part of the Agreement or the re-pricing which took effect in January 2021.

So, E wanted WorldPay to refund all the fees that they had charged historically that weren't part of the Agreement or the January 2021 repricing.

WorldPay believed that under the Agreement they were entitled to increase the Fee. And they said having taken the action referred to above, they had done enough to put things right for E. They denied they'd charged other fees to which they weren't entitled.

E's complaint remained unresolved, and so, Mr B referred it to this service to look into.

One of our investigators did so. To begin with he was satisfied that under term 4.4 of the Agreement, WorldPay were entitled to increase the Fee subject to appropriate notice being given to E. Having regard to WorldPay's October 2020 notice, he was further satisfied that

WorldPay did appropriately notify E of their intention to increase the Fee and therefore hadn't done anything wrong when they did so.

With regard to the £527.88 that WorldPay had overcharged E in error, he was satisfied WorldPay had refunded the amount back to E. However, although noting that WorldPay had paid E £50 for the inconvenience caused by their error, he believed they should pay an additional £50 to better reflect that inconvenience.

WorldPay accepted the investigator's conclusions. But E, on the other hand didn't and has asked for a review of its case by an ombudsman

On its behalf Mr B has made a number of further points including what he regards as poor practice generally in the way WorldPay set about the increase in the Fee.

He said – in summary that when in March WorldPay offered E compensation for the duplicated charge, they'd told him that this had happened because their system wasn't working as it should and would be fixed within two to three days. He doesn't believe WorldPay have made good on their promise because he says he has continued to experience problems when operating E's account.

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.

Where the evidence is incomplete or inconclusive (as indeed some of it is here) I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Increase in the Fee

As noted above in January 2021 WorldPay increased the Fee. And I note E has described that decision as arbitrary and unfair.

My starting point has been to look at the terms and conditions of the Agreement to determine whether WorldPay were entitled to take the action they did. Having done so I'm satisfied that they were.

Section 4.4 of the Agreement says:

“We may from time to time vary the Fees and/or introduce new charges in addition to the Fees, in accordance with clause 22”.

Clause 22.3 says:

“We shall be entitled to vary the provisions of the Agreement from time to time by giving you at least two (2) months' prior written notice. Such variations may be notified by reference to materials available on our website, as set out in clause 26.5. If we make changes to the terms and conditions herein affecting your payment services, you shall be entitled to terminate the Agreement immediately by providing written notice to us, **PROVIDED THAT** such notice is served upon us within two (2) months of you being notified of the variation. Otherwise, you will be deemed to have accepted any variation of the provisions of this Agreement two (2) months from being notified of it.”

In effect therefore under the Agreement WorldPay were entitled to vary the Fee. That included increasing it - subject to them giving E two months' advance notice. Their October 2020 letter to E did that.

Against that background it is difficult for me to conclude WorldPay's practice was poor. And neither have I been persuaded they acted unreasonably when they took the action they did. It follows I do not find that WorldPay's decision to increase the Fee was arbitrary and neither do I find that by taking that decision E was treated unfairly.

continued account problems.

I note what Mr B has said in this regard. And I'm sorry to hear his testimony that E's account isn't functioning as he believes it should. However, I would say fresh problems relating to E's account are matters that should be raised with WorldPay to give them the opportunity to investigate them.

overcharged fees

WorldPay have acknowledged that in error E was overcharged in the amount of £527.88 mentioned above. So, they needed to put that right by refunding the amount to E. I note WorldPay have already done so. Therefore, I'm not persuaded they should do anymore in that connection. That being said Mr B did have to raise the matter with WorldPay at some inconvenience to E.

Putting things right

For the reasons given by the investigator, I agree that a further modest increase of £50 more appropriately compensates E for that inconvenience

My final decision

For the reasons explained above I uphold this complaint. In full and final settlement, I recommend that WorldPay Limited pays E £50 for the distress and inconvenience caused to E.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 29 December 2023.

Asher Gordon
Ombudsman