

The complaint

Mr A has complained that Curve UK Limited ("Curve") made changes to his Curve accounts.

To resolve this complaint, Mr A would like Curve to refund the transaction fees he's incurred; refund half of the Curve Metal annual subscription; and commit to putting in place a system, in a reasonable timeframe, which enables him to track how much of the Curve Fronted limit he's used.

What happened

Mr A has a Curve account, which allows him to make payments with a Curve debit card and then select which third party debit or credit card he would like the payment to be taken from. This facility includes a feature called Curve Fronted, that allows account holders to indirectly use a credit card via the Curve account, to make payments to organisations that don't normally accept credit cards.

Initially Curve Fronted payments didn't incur any fees, but this was subsequently changed. This change resulted in Mr A being charged 1.5% on Curve Fronted transactions on his existing Curve account. To avoid these fees, Mr A upgraded his account to the Curve Metal account – whereby Curve Fronted payments didn't incur the 1.5% fee. However, a while later Curve introduced a Curve Fronted limit of £10,000 each month on the Metal account – which meant any Curve Fronted payments that exceeded this amount would incur a 1.5% fee.

Mr A has explained he's unhappy with the changes made to his account. He says that such significant changes represent a breach of contract. Mr A says that because of this, any fees he's incurred are unfair. Mr A also says that he finds them almost impossible to avoid.

Mr A says that the current way the Curve app is designed means he's unable to establish how much of the £10,000 Curve Fronted monthly limit he's used. When he's contacted Curve's online support facility, the representatives don't appear to fully understand the charging structure which has led to incorrect information being provided to him.

One of our investigators assessed the complaint and they didn't uphold the complaint.

As Mr A didn't accept the investigators assessment, the complaint was referred for an ombudsman's decision.

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 reviewed everything, I don't uphold the complaint, for largely the same reasons that the investigator gave. I will explain why.

Mr A has complained, in part, that Curve's changes made to its products represents a breach of contract. However, as the investigator pointed out, Curve's terms and conditions allow it to make such changes immediately if they are in the account holder's favour, or if they are not, by providing 2 months' notice.

We have been provided evidence to show that Mr A was being informed of the changes being made to his account. For example, Mr A was sent an email on 25 November 2019 explaining that Curve will start charging a 1.5% fee on Curve Fronted Government-based payments. This email explained the fees will come into effect after 24 January 2020. So I'm satisfied that Curve gave Mr A the necessary notice before this change came into effect.

Curve then sent an email to Mr A on 24 April 2020 explaining that, due to the costs involved in processing Curve Fronted payments, the 1.5% fee will also apply when paying off credit card bills using the Curve Fronted feature. It explained that the fee would not apply to Curve Metal customers.

Based on the evidence I have seen, it seems this change took place on 24 April 2020, and I've not seen that any prior notice was given (specifically about the 1.5% fee also applying to Curve Fronted payments to credit card providers). Nevertheless, Curve's terms and conditions say that it may not always be able to provide two months' notice when making changes to the account terms and conditions. The terms and conditions say that, if account holders are not given 2 months' notice of changes, account holders can cancel their account free of charge within 2 months of the change being implemented.

So although Mr A may not have been provided 2 months' notice, and he may not have been happy with the introduction of the 1.5% fee on credit card Fronted payments, he had two months from when the fee was introduced, to cancel his account free of charge if he didn't want to keep his Curve Black account. Overall, whilst I recognise that it would've been preferable that Mr A was given notice about this change, the fact he was able to cancel his account for free seems reasonable in the circumstances. I also think that - as Mr A kept the account (and went on to upgrade to another account) despite being informed about the change - it's likely that Mr A wouldn't have acted any differently, even if he had been given 2 months' notice.

Mr A later upgraded his account to the Curve Metal account I understand this was so he could avoid the 1.5% Curve Fronted fees. However, Curve then explained in an email dated 30 September 2021 that it would be introducing a £10,000 monthly limit to Curve Fronted payments on the Metal account. This monthly limit came into effect on 1 December 2021.

I appreciate that Mr A was dissatisfied with this, especially as he had not long upgraded his account so as to avoid the Fronted fees. But it is the case that Mr A was given notice of the change to include a monthly Fronted limit on his account, in accordance with the account terms and conditions. So I'm satisfied that Mr A was given a reasonable opportunity to change his account if he no longer wanted it, following the changes that Curve implemented in December 2021.

Following the introduction of the £10,000 Curve Fronted limit, I understand that a large part of Mr A's complaint is that he then had no way of knowing from the app how much of the £10,000 Curve Fronted monthly limit he had left to use.

Curve has explained that it is essentially government-based organisations and credit card providers that would be included in this limit. But I have some sympathy with Mr A's view on this point, as it seems that there is currently no way to quickly find out how much of the limit is left. The options available to establish how much of his limit is left seem to be either to manually go through his payments for the month and add up all of the government-based payments and payments to credit card providers - to obtain an estimate of how much of his limit is left. Alternatively, Curve says that Mr A can get an exact figure by asking Curve via the web chat. Although this method unfortunately seems to have historically involved an element of delay before Mr A could get an answer.

Overall, I recognise the frustrations that Mr A has had when using his Curve Metal account. Ultimately, he's not able to use this account exactly as he'd like in the form it currently takes. But that being said, I have to be fair to both sides - and Mr A is able to get the information he needs to use his account as he wishes, it's just that this is more inconvenient than he'd

like. Curve says that it is looking into improving the app in the future, which may help Mr A. But, having taken everything into account, I don't think it'd be appropriate to require Curve to pay the redress that Mr A has requested.

I'm also mindful that if Mr A does make a Curve Fronted payment and he is charged the 1.5% fee due to exceeding the £10,000 monthly limit, he potentially has the option to avoid being charged this fee by using Curve's 'Go Back In Time' feature (which allows an account holder to change which card a payment should be taken from, up to 30 days after the payment is made), and choose a debit card to make the payment instead (thereby avoiding the Fronted Fee). So again, although it is not ideal that Mr A may only become aware of exceeding his limit until after he has made such a payment (if he doesn't want to wait for a response from Curve's web chat), it seems that Curve does provide a reasonable option if he is charged the fee but doesn't want to pay it.

I understand that when Mr A was speaking with Curve, he was incorrectly told that if his Curve Fronted payments exceeded £10,000 for the month, he would be charged 1.5% on the entire payment(s) - rather than just on the amounts that exceed the limit. But as the investigator pointed out, although it was unfortunate Mr A was given incorrect information, it seems the fees have been calculated correctly i.e. in line with the account terms and conditions, and so he has not lost out because of this.

As such, whilst I recognise the frustrations that Mr A has had when using his Curve Metal account, having taken everything into account, I don't think it'd be appropriate to require Curve to pay the redress that Mr A has requested.

My final decision

Because of the reasons given above, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 January 2024.

Thomas White
Ombudsman