

The complaint

Mr M is a sole trader, trading as L. He complains that Takepayments Ltd's errors meant his business L couldn't take card payments for almost a month, leading to losses of around £12,000.

What happened

At the beginning of November 2022, Mr M had an existing contract with a merchant acquirer (not Takepayments), which allowed him to take payments from plastic cards. He also had an existing card terminal from Takepayments.

L's merchant identification number (MID) was closed on 26 November 2022, with the result that L was no longer able to take card payments. The matter was not resolved until 18 December 2022.

Mr M complained to Takepayments. It offered him three months' free terminal rental and a refund of a £39.98 charge as a gesture of goodwill, but it said that it believed any fault was with the merchant acquirer.

I issued two provisional decisions on this complaint:

- In the first, issued in December 2023, I explained why I thought Takepayments was responsible for the closure of L's MID. I thought fair compensation would be £6,500 (rather than the £12,000 Mr M claimed), and so I said I intended to order Takepayments to pay Mr M £6,500 in compensation.
- My second provisional decision, issued in February 2023, took account of new information from the merchant acquirer – which said that it was prepared to take responsibility for this complaint. In my second provisional decision, I said that in light of the merchant acquirer's position I didn't think it would be fair for me to order Takepayments to pay Mr M any more than it has already offered in relation to this complaint.

I am satisfied that all parties have had a fair opportunity to respond to my second provisional decision, and so I am now issuing this final 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 done so, I have come to the same conclusions as I did in my second provisional decision, and for the same reasons. I now confirm those conclusions as final. Regardless of whether Takepayments or the merchant acquirer is at fault for the closure of L's MID, the merchant acquirer has agreed to take responsibility for Mr M's losses and so it would not be fair for me to order Takepayments to pay any additional compensation.

My final decision

My final decision is that I do not require Takepayments Limited to take any further action in relation to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 12 April 2024.

Laura Colman
Ombudsman