

The complaint

Mr H complains about a Fronted fee charged by Curve UK Limited.

What happened

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

Mr H has a Curve debit card that he can use to make payments from credit cards with other providers. The service allows customers to use a credit card to make payments to merchants that wouldn't normally allow them to do so. Mr H has explained he has an extensive history of using Curve to make Fronted payments from his credit cards, earning points and other benefits.

Last year, Curve contacted customers and advised it was amending its limits and the charging structure associated with Fronted transactions. Mr H went on to raise a complaint with Curve as he felt some of the information it provided about the proposed changes was misleading. Curve issued a final response on 31 October 2023 said it could amend the terms of service by providing notice to customers. Curve didn't agree it had misled Mr H and didn't uphold his complaint.

One of the changes made by Curve meant Fronted limits reduced to £3,000 fee free over a rolling 30 day period. Fronted payments made over the £3,000 limit in the rolling 30 day period would be charged at 2.5%.

Mr H went back to Curve after receiving another email in November 2023 that he felt was unclear. Curve responded on 16 November 2023 and apologised for any confusion its email had caused. Curve agreed to waive Fronted fees incurred up to a limit of £10,000 between 15 November 2023 and 15 December 2023.

On 16 November 2023 Mr H made Fronted payments of £6,616.09 and £383.91, totalling £7,000. On 16 December 2023, Mr H made Fronted payments of £2,614.50 and £237.50, totalling £2,852. Mr H has explained he thought the payments made on 16 November 2023 had dropped off the rolling 30 day total so he went on to make Fronted payments totalling £2,852 on 16 December 2023 on the basis they would be free from the Fronted fees Curve charges.

Mr H was later charged Fronted fees of £65.36 and £5.94 totalling £71.30 for the Fronted payments he made on 16 December 2023. Mr H went back to Curve to complain about the Fronted fees he was charged.

On 17 January 2024 Curve responded to Mr H and said Fronted transactions will continue to count towards his fee free limit until 31 days after the transaction was made. Following further emails from Mr H to Curve, it responded again on 5 February 2024 to say it calculated the rolling 30 day period from the time a Fronted payment was made. Curve explained it calculates a rolling 30 day period as being 30 full days, or 720 hours, from the time of the Fronted transaction.

Mr H has told us that on 21 March 2024 Curve contacted him again to say it had taken action so his Fronted limits would reset on the first of every calendar month.

Mr H referred his complaint to this service and it was passed to an investigator. Mr H made very detailed submissions and explained he wasn't complaining about Curve's decision to change its terms of service last year. Mr H told us he was complaining about the way Curve calculated its rolling 30 day period when calculating whether Fronted fees were due. Mr H said his understanding of a rolling 30 day period was based on calendar days, not total hours. And Mr H advised that he felt Curve's interpretation of the rolling 30 day period was misleading.

An investigator considered Mr H's complaint but wasn't persuaded Curve had made a mistake or treated him unfairly by applying Fronted fees following his payments on 16 December 2023. Mr H asked to appeal, so his complaint has been passed to me to make a decision.

What I've provisionally 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under. I'd like to assure Mr H in particular that I've read and considered everything he's said and the information he's provided within his detailed submissions and responses.

In response to the investigator's view of his complaint, Mr H explained the most significant reasoning for his complaint was detailed within sub-paragraphs 26(a-d) within his main complaint submission. I read Mr H's submission in full and have taken his comments and views about the rolling 30 day period into account. Having read all the available information and considered Mr H's comments, I've reached a different conclusion to the investigator and intend to uphold his complaint.

Mr H has highlighted Curve's obligation to provide clear and not misleading information to customers. Mr H has made the point the Consumer Rights Act 2015 says "If a term in a consumer contract, or a consumer notice, could have different meanings, the meaning that is most favourable to the consumer will prevail." Here I agree with Mr H's view that there are two ways to interpret a rolling 30 day period. Like Mr H, my understanding when I first read about the rolling 30 day period Curve uses for Fronted payments was that it referred to calendar days. And I think most normal consumers would most likely have the same understanding rather than reaching the conclusion that Curve actually meant 720 hours – or the total number of hours in a 30 day period. As there's more than one way to interpret the terms of service relied on to apply Fronted charges, I haven't been persuaded it's fair to take the approach that benefits Curve over Mr H. I'm satisfied Mr H reasonably understood a rolling 30 day period to be based on the calendar days rather than total number of hours from the transaction.

In my view, Mr H has unfairly incurred Fronted fees that could've easily been avoided if Curve had been clearer about the qualifying rolling 30 day period. It's clear Mr H pays very close attention to his financial affairs and makes plans in advance. And I'm satisfied that if

Curve had told Mr H he needed to wait 720 hours from the time a Fronted payment was made for it to drop off the rolling 30 day period he would've changed his plans appropriately and delayed his payment on 16 November 2023 to avoid the Fronted fees. I think the fairest approach is for Curve to refund the Fronted fees it charges Mr H in following his 16 December 2023 Fronted payments.

After his complaint submission was received, Mr H contacted us to say that on 21 March 2024 Curve had made changes so that Fronted fees are now calculated based on a calendar month. Curve's email to Mr H confirmed the limits would reset on the 1st of each month going forward. Given the large number of emails and complaints Mr H made about the Fronted fees he has paid, I find it difficult to understand why this option wasn't considered earlier. I think that would've gone a long way to resolve Mr H's concerns. I think it's reasonable to say this issue appears to be of importance to Mr H who takes a detailed approach to his finances. And I'm satisfied that the amount of time and effort Mr H has spent dealing with this issue has clearly caused him a reasonable level of trouble and upset. So in addition to the refund of the Fronted fees charged by Curve, I also intend to tell it to pay Mr H £150 in recognition of the distress and inconvenience caused.

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Mr H responded and clarified that he'd originally made the points contained within sub sections 26 (a-d) in his original complaint submission, not in response to the investigator's view of his complaint. Mr H also confirmed that he was willing to accept the proposed settlement and wanted to proceed with a final decision.

Curve responded and provided some further comment on Mr H's case and the conclusions reached in the provisional decision. Curve also confirmed it is willing to proceed in line with the provisional 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.

I'd like to thank both parties for responding. I note Mr H's point that the comments made in sub sections 26 (a-d) of his submission predate his response to the investigator's view and formed part of his original complaint referral to us. I'm pleased Mr H is satisfied that the settlement reached.

As neither party has provided new information for me to consider, I see no reason to change the conclusions I reached in my provisional decision. I remain of the view that Mr H's complaint should be upheld, for the same reasons.

My final decision

My decision is that I uphold Mr H's complaint and direct Curve UK Limited to settle by refunding Fronted fees totalling £71.30 and paying him £150 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 January 2025.

Marco Manente
Ombudsman