

## **FleetCor: A Closer Look at the U.S. MasterCard Portfolio Customer Experience Since Migrating to the Global FleetNet Processing System**

### **Company Update**

**FleetCor migrates U.S. MasterCard customers to new proprietary payment processing system.** Historically, FleetCor serviced its commercial fuel cards on two processing platforms; iFleet for its fuel card products that are not MasterCard branded and iConnectData for MasterCard products. Beginning in mid-January 2017, FleetCor migrated a portion of its U.S. MasterCard accounts from iConnectData to a proprietary payment processing platform called Global FleetNet (GFN). It is unclear which segments, if any, of the oil partner MasterCard fuel cards are part of the migration.

In a Deutsche Bank note published on April 23, Deutsche Bank shared some takeaways from a March 2, 2017 discussion with Todd House, departing President of the North America Fuel Card business and FleetCor CFO Eric Dey. The Deutsche Bank note provided the following update regarding the GFN Migration: “As in the case of any large migrations, there were some minor issues which led to the online billing system being down for short period of time. However, the company was able to fix the issues asap and also waived late fees for customers who had issues with paying bills due to system downtime during the upgrade.” Subsequently, on May 1 during FleetCor’s Q4 2016 earnings call, Dey provided the following update: “We converted recently our U.S. MasterCard portfolio to GFN, which is our global processing platform that will aid in simplifying our technology footprint.”

In this article, we analyze the GFN migration based on company communications as well as BBB complaints and customer reviews during the relevant time period. In addition, we detail the experience of a customer who contacted us regarding billing and payment issues during the migration and provided billing statements from December 2016 through June 16, 2017. Based on our investigation, it appears that FleetCor understated the nature and duration of the issues associated with the GFN migration. Furthermore, the BBB complaints and reviews as well as customer bills highlighted in this article raise questions regarding the extent to which FleetCor actually credited and or waived fees that resulted from system issues.

### **A Closer Look at GFN Downtime and Access to Invoices**

On January 11, 2017 FleetCor emailed Universal Premium FleetCard cardholders to announce the pending rollout of a new “easy-to-use account management site” and followed up on January 17 with a second email informing customers what to expect in connection with the transition. On the morning of January 24, FleetCor provided customers with login credentials and user information for the new online system.

However, within several hours of distributing the login and user information, FleetCor distributed a notice to customers with the subject line “We Apologize – Account Upgrade Issues,” stating: “We are aware that many of you are experiencing problems logging in to our account management site. We sincerely apologize for this and are diligently researching the issue now. Until this issue has been resolved, you will likely not be able to login to the site. We are currently experiencing unusually high call volumes and since we value your time, we will send an email to alert you when this issue has been resolved so that you do not need to wait on hold. If you are experiencing other issues, not related to logging in, please continue to call and we will address your issues as quickly as possible. We apologize for any issues this may cause and will make sure that any fees assessed due to late payments are addressed.”

Below is a chronology of events related to the GFN migration based on additional company updates to customers and correspondence between two different FleetCor customers and their sales representatives from early and mid-February. In addition, the chronology also includes a FleetCor email dated March 29 that detail two GFN issues; double billing and inconsistencies between the balances reflected online and in hard copy invoices.

- January 25 email to customers re: “URGENT Account Management Site Update” stating: “As of today, we are still experiencing site functionality issues with logging in and making payments. We are actively working to resolve these issues ... Due to this inconvenience and the inability to make online payments we will be waiving late and check by phone fees. If you choose to make a payment via phone, we suggest using the automated system to avoid hold times.”
- January 26 email to customers re: “Site Update and Billing Delays” stating: “... We have resolved the issue that customers experienced logging in and have reset accounts that were previously locked ... We are still in the process of loading invoices and transactions and you will likely not have access to these items for several days. This has also delayed billing for customers who are due invoices in the last several days. To accommodate for these factors, we are adjusting billing days due and increasing credit limits to ensure you do not experience any disruptions. Though you may initially see a fee on your next statement, please rest assured that we will be crediting them as soon as possible.”
- January 28 email to customers re: “Update on Invoices” stating: “We are currently in the process of loading historical invoices into your account. You should have all invoices from December 2016 and January 2017 (before January 20<sup>th</sup>) at this time ... New invoices beginning January 20, 2017, will continue to be processed and loaded throughout the next couple of days.”
- February 2 email to customers re: “Billing delays and help logging in” stating: “At this time, billing has been delayed for those customers who are due to be billed beginning January 30<sup>th</sup>. We expect to resolve this issue over the next several days and will be extending additional payment delays to ensure you will not be charged late fees due to this inconvenience...”
- February 3 email to customers re: “Billing Delays” stating: “Invoices generated January 30<sup>th</sup> – February will be delayed at this time but will be ready early next week. Though your due date will appear the same on the statement, we will be offering a small grace period to allow you time to pay.”
- February 8 email from a FleetCor customer to a sales rep stating, “Also, being that the new website is still not operable, we are unable to see what we owe and run reports to see who purchased what.”
- February 13 email to customers re: “Billing Update Invoices Available” stating: “We really appreciate your patience and apologize for the inconvenience that you faced due to our recent billing delays. For your convenience, we have combined your delayed statement(s) with your most current statement. Please pay the full total balance due on this statement...”
- February 14 email from a FleetCor customer to a sales rep stating, “The new website has never been right and now is down for service.”
- March 29 FleetCor email to FleetCor employees re: “FW GFN Update 3/28” stating: “There are two known new issues this week that are needed to be communicated out: Duplicate Transactions: There are nearly 12k

transactions duplicated from February 28 which posted to customer accounts on 3/1 and 3/10. Approximately 10k of the transactions have been billed while the other 2k have not yet billed. The unbilled transactions will be cancelled. But those that have billed will need to be reversed – Date and process are TBD. There has already been a process put in place to ensure this doesn't happen again. We are waiting on a list of impacted customers for this as well. Customer Incorrect balances: There are approximately 1700 customers who show an incorrect balance in GFN but their statement and AX balance are correct. This ticket has been moved up in priority to seek a resolution. More updates to come but wanted to get these two issues out to the group.”

- April 7 email to customers re: “Update from our President” stating: “Our goal as a company is to provide your business with the best fuel card program available. That is why at the end of January, we migrated your Universal Premium FleetCard MasterCard® to our global processing system, which runs on the most advanced technology in the industry. Over time, the capabilities of this program will allow us to provide the products and solutions that will propel your business to the future. Unfortunately, the migration process was not as seamless as we had hoped and may have created some issues that impacted your account. These issues have increased call volume which in turn may have created a service experience outside of the standard to which we aspire ... At this time, I am pleased to say that most of the major challenges with the conversion are behind us. Transactions, billing, payments and the website are functional...”
- April 14 email from Nextraq FleetCard to customers re: “Getting you back on track” stating: “We understand our recent system upgrade has been a bit bumpier than anticipated and learning to navigate a new website can be challenging. We want to make sure you have every confidence that this new platform will set us up to serve you in new and exciting ways...”

### **BBB Complaints and Reviews Related to GFN Migration**

In addition to the email communications cited above, the BBB complaints and reviews below between January and June of 2017 illustrate the difficulties associated with the migration. Notably, several complaints suggest that the login issues persisted for several weeks and raise questions regarding FleetCor's claims that customers would not incur fees that were caused by the system issues.

- 6/14/17 BBB Complaint: “On January of 2017 the billing started to get completely messed up. I would receive two bills in the same month, with different amounts. I would call customer service. They would say pay the full amount and then they would apply the credit and it would show on the next bill. They would ask me to pay as much as 3000 dollars more than my bill. If it was 25 dollars not a problem, but 3000 is a lot of money especially when the bill was on around 4000 dollars. I was receiving bills after the due date. So I would call on the 16th and do the automated pay by phone without a bill. I have asked for a manager to contact me multiple times in every month since January 2017. With no contact at all. On Apr 2017 I spoke to Brenda, she wouldn't give me a ID number. All she would say was she was in Mexico. She put in for a 1900 dollar + credit to clear it up. This has yet to be applied and they keep added fees for something that I do not owe. My next step is to pass this off to the State AG and OCC.”
- 5/11/17 BBB Complaint: “We never received an invoice for Jan 1 to 15, Jan 15 to 31 Feb 1 to 15 and Feb 15 to 28 and our payments of \$1800, \$600, \$1500, \$600, and \$1500 I have called 18 times and only reached a live person 2 times. Average hold times are over 6 hours. Both people I spoke to refused to give names or identifying information but agreed to remove the extra fees from our account. *We have not been credited/the fees have not been removed and their current payment system does not have accurate/complete billing/invoicing information.*

*The totals from payments and invoices are not even close to adding up. Payments are not reflected on invoices and as such they have added \$199 interest charges even though they are unable to invoice me or accept payments because their system does not work.” (emphasis added).*

- 5/10/17 BBB Review: “In January 2017 this company switched on line operating systems long before the new system was up and running and ready for business. As a result, it has been a part-time job just to manage the gas card accounts. *Functionality and visibility went from 100 to zero, to a steady 50%.* Hours have been spent on the phone with customer service reps, who while very pleasant, are not able to help. I've spoken with every Supervisor and been given multiple case #s. Each time I've been promised a return phone call within 48 hours and no phone calls have been received. The most recent frustration is that my recent case was closed as "RESOLVED" without being resolved or ever having spoken with me. I just got off the phone (1 hour and 17 minutes) with another promise and another case #. *At this point, just from the information that I can see, I am owed over \$3500 in unauthorized fees. I have called in the past and have had fees removed, but since January this company is in complete chaos.* My case #s have been #, I have been escalated to the highest person in the department named Maryanne \*\*\*\*\*, who delegated my case to Lisa \*\*\*\*\* I will now go and post my case # on twitter to see if I can get some professional assistance.” (emphasis added).
- 5/4/17 BBB Complaint: “In March I disputed charges on our cards that were made from the same station in Miami, FL. We are in ME. I tried to speak with customer service, waited for over 60 minutes sometimes to speak to anyone. got through a few times and they said they would give the fraud dept the messages. I made sure to dispute all of these charges on line as instructed. I have yet to speak to anyone in the actual fraud dept. April 17 I received an email that they completed their review and my dispute is not covered under the Terms & Conditions. I had triple layer protection on my cards, you had to have the card, put in a pin and mileage. None of these were done with the charges in Miami. *All of the charges also happened when Fleetcor had their web site down for an overhaul so it was a few weeks before we know what was happening.* FleetCor has to have a fraud department you can speak with, we have a total of \$3494.73 in fraudulent charges and \$976.85 in fees and interest charged by Fleetcor even though they know these charges are in dispute.” (emphasis added).

After FleetCor explained the basis for the denial of disputed charges claim, the customer replied: “I do not accept this as an answer, *in all my correspondence and messages to your company I mentioned that your website was DOWN and I could not track my charges at the time this happened.* I have no control over that.” (emphasis added).

- 4/28/17 BBB Complaint: I've made several attempts with Universal Premium to correct billing issues. Spent hours on the phone with NO RESOLUTION. Universal Premium has charged my company astronomical late fees and I have spent hours on the phone with their customer service department attempting to get these charges reversed. *Our company DID NOT pay our bill late. Their website was migrated and the invoices were not available to make payments.* I have spoken to \*\*\*\*\* who are supervisors; as well as several customer service representatives. They have all made promises to correct our bill and still we have no resolution. I have also written a letter to the president and was assigned a case manager who said he would call me within 24 hours with resolution and that was three weeks ago and I still have no answers. I have cancelled all of my fuel cards with this company. I need resolution!” (emphasis added).

After receiving FleetCor's response, the customer replied: First, I have NEVER short paid a bill. When I spoke to your account representative \*\*\*\*\* on 3/15/17, I was told that she was going to credit late charges and clean fuel advantage charges to my account because *I never asked for or approved a clean fuel advantage*

*program and yet I was charged for it, and the late charges were added to my account when I could not access my invoices due to your website migration which was a complete debacle. After \*\*\*\*\* supposedly applied the credits to my account, I had a balance of \$4,489.95. I paid that balance in full that day and she processed it while we were on the phone together. That brought my account to a zero balance. However, the next billing cycle did not include any of the credits I was promised. The current activity for fuel purchased on that bill was \$5,678.97 but the total due was \$9,847.46. That is a difference of \$4,168.49. When my account had a zero balance according to Xochitl, how did I get charged \$4,168.49 more than the cost of the fuel we used?! I do not agree with your response and must have further resolution. (emphasis added).*

- 4/26/17 BBB Complaint: “On January 7th our Universal Premium Builderpro account had an zero balance. The next billing cycle the card accrued an balance of \$1256.00. *During this billing cycle the company was changing the website to be more user friendly, and we were not able to get into the site for a while to see the breakdown of the statements.* (I had that total, but could not see what transactions made up the total). We were told all invoices would be on the new site by Feb 17th. The next billing cycle (1/16/2017-2/15/2017) included \$2,602.16 in fraudulent fuel transactions- (not to mention \$63.54 for a admin fee,\$114.97 in interest and a \$1125.48 late fee on the previous balance that I have yet to see what transactions made up that balance!” (emphasis added).

3/20/17 FleetCor Response: “This letter is in response to the complaint we received from your office. *In your complaint you expressed that you were told that you were not able to access your billing activity from January 1st -15th due to the change in website.* We would like to apologize to you and your company for you not being able to access this activity. This change in the website has impacted everyone. Please allow me to refund the late fees that you were charged due to this system error...” (emphasis added).

- 4/10/17 BBB Complaint: “Approximately fifty-nine charges on account were not made by our company employees. Several disputes have been filed. Called Fleetcor customer service on 2/24/17 and was placed on hold for 1.5 hours. I was instructed to dispute charges via website. I received an email with an attached dispute form from Fleetcor on 2/28/17 stating the online dispute feature was not working and that I would need to document each charge via their form and email them back. I emailed customer service on 3/2/17 to follow up and received response that the online feature was working and that I would need to file them again online. I still have not heard back from company.”

FleetCor Response: “I know it seems as though you were given conflicting information and I would like to first apologize for that. *Unfortunately, along with the change in our website, there came some system issues that we did not predict.* At the time of you initially contacting our customer service department, the dispute feature on the website was not working. That issue was then corrected and you were given the correct information. If you have not already, please submit the disputes online, so that our fraud department may address them.” (emphasis added).

- 3/30/17 BBB Complaint: “We are Fleetcor customer since 2014. On January, 17 at 12:31 PM I blocked one of the cards. *For next 3 weeks it was impossible to get any invoice or check transactions due to changing companys? website.* On February,21 when we finally got invoices, we found fraud for \$5004.69 from blocked card.” (emphasis added).
- 3/28/17 Facebook Complaint: “For 3 weeks I could not log in or check invoices.”

- 3/28/17 BBB Complaint: "...At first they would email me a statement and the report for all gas cards, *then their online system completely shut down for whatever reason, maybe it was hacked or the system just failed, but after they set up a new online system everything went to junk. Making a payment became nearly impossible*, no customer service available, and our gas cards were constantly being shut off for errors due on their part! Plus it takes them forever to turn the cards back on which is very inconvenient. The main reason I left was the outrageous hidden fees and the lack of customer service!" (emphasis added).
- 3/21/17 BBB complaint: "...Terminated Account 09/01/2016 via email and fax per company request. Company continued to debit our bank account until March 2017 when we got it stopped. They say they will refund the balance of \$15,980.00 and never send the check."

FleetCor response: "I have researched your account and it has been determined that you are owed the requested refund. I do apologize for the delay. *We have recently undergone a system change; which has caused errors and a delay in this process. Our normal refund time is 6-8 weeks.* We do appreciate your patience and will send your refund in the form of a check as soon as possible." (emphasis added).

- 1/21/17 BBB Review: "After doing some research I have found many, many, many, many people with the exact same complaint(s): late billing, no-billing, bi-weekly billing, overcharging, hidden fees, no customer support, non-working billing / payment portal, check-holding to create late fees... I did talk successfully talk to one lady (with an attitude) and asked her about what was happening, she had no answer other than for me to pay through the online portal. *But, like I told her that won't work for me because my BILLING PORTAL DOES NOT WORK it shows all zeros everywhere: i.e....no charges, no payments due, etc.. and when I hit make a payment online the page just reloads, it doesn't work! Billing portal doesn't work, I can't pay online!!! So, all I can do is mail a check in, which they won't receive in time!!!* I tried calling again today and after being on hold for 2 1/2 hours I finally gave up." (emphasis added).
- 1/18/17 BBB Review: "This Company is awful! Not one person has the same answer. They offer online payments till you try and pay online and "Oh sorry sir you're not able to use this feature."

## Customer Profile

For this article we also interviewed Lance Priddy, owner operator of a small, over-the-road trucking company and FleetCor customer for over six years after his previous fuel card vendor was acquired by FleetCor. Mr. Priddy reached out to The Capitol Forum after researching FleetCor billing issues online.

Priddy's company currently uses the Universal Premium MasterCard product for his small fleet. His account was on a 16-day billing cycle and allowed for 21 days to pay prior to the migration. The emailed invoices he routinely received stopped arriving in Dec 2016, just prior to the migration. He is now required to log in to the GFN web portal to obtain his invoice and make payment, a task that became more difficult since the GFN launch has resulted in multiple changes to his billing cycle and eliminated his invoice notifications.

A review of [Priddy's invoices and FMRs](#) shows the itemized transaction issues before, during and after the transition to the GFN platform. The invoices and FMRs also provide insight into customers' experiences during the transition process. Examples of statement and transaction irregularities that occur in the bills are certain product purchases identified only as "unknown" or "other" which make it difficult to monitor for fraud or unauthorized

employee usage, certain posting times and dates reflected as zeros or “USA,” shifting of billing cycles and days to pay without prior notice, and no line item listed for rebates.

Priddy has spent hours on the phone, escalated his complaints and has endured two card suspensions which stranded his drivers on the road. Partial credits have left his account with a balance of \$13,698.31 in late fees, interest, Minimum Program Administration Fee (MPAF) and other charges applied since the GFN launch that have yet to be resolved. Priddy has been billed for \$213,772.76 in fuel and other card transactions, omitting fees, since the conversion to the GFN platform and, according to the GFN system, has paid a total of \$197,434.52.

The most recent bill dated June 16 shows an outstanding balance of \$30,013.85 and a due date of June 29. On May 30, Priddy submitted a BBB complaint and was informed that he can expect to see additional credits on future invoices. Some of the notable itemized transaction issues include:

- Activity from 11/16/16 to 11/30/16, pdf pages 1-12. The MPAF was charged this invoice in the amount of \$1,500 on page 12.
- Activity from 12/1/16 to 12/15/16, pdf pages 13-24. Page 24 shows transactional charges totaling \$24,668 and a \$9.02 rebate.
- Activity from 12/16/16 to 12/31/16, pdf pages 25-37. MPAF of \$1,380 on page 37.
- Activity from 1/1/17 to 1/15/17, pdf pages 38-50. Page 50 shows transactional charges totaling \$25,000.42 and a \$3.37 rebate.
- Activity from 1/16/17-2/15/17, pdf pages 51-70. Delayed and combined invoice which does not reflect the \$25,012 payment made on February 1 in the payment field on page 53. Despite an emailed notice to customers stating that payment days would be extended and late fees would be waived, the days to pay are reduced from 21 to 12 and a \$5,000 late fee plus \$833 interest are added to the bill on page 70. There is a line item charge labeled “false” for \$1,256 as well as a MPAF charge for \$2,288 on page 70.
- Activity from 2/16/17 to 2/28/17, pdf pages 71-81. There is a credit issued for “Return Check Fee” on page 81 in the amount of \$1,256 but Priddy denies paying by check in the past several years. There are two additional line item credits labeled interest charge for \$537 and MPAF for \$468, but the credits are in lesser amounts than any of these fees charged in the previous three months and therefore it is unclear to which invoice the credit is meant to be applied and what remaining fee balance remains to be credited.
- Activity from 3/1/17 to 3/15/17, pdf pages 82-92. There is a double billed February 28 transaction for \$28.58 on page 89. This same transaction is billed again and credited on the April 10 invoice on page 107. There is a line item charge labeled “false” for \$436 and another late fee for \$4,979 charged on page 92.
- Activity 3/16/17 to 3/31/17, pdf pages 93-102. A partial credit for late fees in the amount of \$6,098, which is a lesser amount than the total late fees charged since the GFN launch is on page 102. The total late fees and interest charges since the GFN launch thus far has been \$10,375. A FleetDash Fee for \$50 and a MPAF for \$1,184 is charged on page 102.

- Missing Invoice. GFN invoice gap from 4/1 through 4/6. A late fee was charged on the subsequent statement on page 110.
- Activity from 4/7/17 to 4/10/17, pdf pages 103-110. The billing cycle was truncated from 16 days to three days, possibly due to the previous missing invoice. On page 107, the February 28 double billed transaction is billed for a third time and credited once. Altogether, this transaction was billed three times (twice on page 89 and once on page 107) and credited once (page 107). A late fee for \$3,272 is charged on page 110.
- Activity from 4/11/17 to 4/17/17, pdf pages 111-117. The billing cycle was shortened to six days on this and all subsequent invoices. There is a late fee for \$2,194 on page 117.
- Activity from 4/18/17 to 4/24/17, pdf pages 118-123. There is a late fee credit for \$7,792, and an interest fee charge of \$18 on page 123. Oddly, the \$18 interest charge is later credited on page 143. At this point since the GFN migration, there remains \$1,573 in late fees thus far that have been imposed on Priddy's account since the GFN migration that have not yet been credited, in addition to over \$5,000 MPAF and other various fees and charges.
- Activity from 4/25/17 to 5/1/17, pdf pages 124-130. There are charges for a late fee for \$1,671, an interest charge for \$11 and an MPAF for \$1,123 on page 130.
- Activity from 5/2/17 to 5/8/17, pdf pages 131-136. There is a late fee for \$1,713 on page 136.
- Activity from 5/9/17 to 5/15/17, pdf pages 137-143. There is a late fee for \$1,797 and a small credit for an interest charge on page 143.
- Activity from 5/16/17-5/22/17, pdf pages 144-150. There is a late fee for \$2,044 on page 150.
- Activity from 6/2/17 to 6/16/17, pdf pages 158-168. The bill cycle has been increased to 14 days. Days to pay terms remain at the post-GFN migration 12 days as opposed to the pre-migration 21 days. No credits were issued on this invoice. Total outstanding fees charged since the GFN migration are \$13,698.31.

### **FleetCor's Response**

We reached out to FleetCor regarding the GFN migration and requested comment on the following questions:

1. How long were users unable to log in during the migration?
2. Have migrated customers been fully credited for all late fees and related fees incurred due to the system issues?
3. How many customers had their cards suspended due to the migration? Were those customers charged reinstatement fees?
4. What percentage of customers have been migrated to GFN?

5. According to an internal email we reviewed dated March 29, approximately 12,000 transactions were duplicated from February 28. Of those 12K transactions, approximately 10K were processed and 2K weren't. Were the 10K transactions that were processed eventually reversed? Were the remaining 2K cancelled?
6. Have the issues with the incorrect balances on GFN been resolved?

In response to our request for comment, FleetCor provided the following statement: "As we stated on our Q4 call, earlier this year the Company converted a portion of its U.S. MasterCard portfolio from Comdata's mainframe system to our modern GlobalFleetNet system (GFN). The conversion caused some temporary issues with customers' billing and system access, which led to a spike in call center volumes and call wait times. We worked closely with our customers throughout the process and took a wide variety of steps to prevent disruptions and maintain customer satisfaction. For the most part, these issues have since been resolved, and the new platform is stable and running smoothly. We are monitoring the portfolio to assess any potential impact going forward."