

## The complaint

Mr K complains that PayrNet Limited won't refund the money he was tricked into sending to a PayrNet account.

Mr K has used a representative to bring his complaint. But, for ease of reading, I'll just refer to and will ascribe the representative's comments to Mr K himself.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In July 2021 Mr K made a payment from his own bank (which is based outside the UK) to an account held with PayrNet. The payment was for €5,080.16 and it arrived in the PayrNet account on 20 July 2021. At the time, Mr K believed he was funding a genuine investment, but he later discovered he'd been the victim of a scam.

In 2022 Mr K contacted PayrNet. He alleged they had failed against various obligations and requested that he be refunded for his loss. He also asked for details of where his funds had been sent on to. Mr K says he didn't receive a meaningful response from PayrNet and he referred the matter to our service.

One of our Investigators recommended that the complaint should be upheld. In summary she said PayrNet hadn't provided sufficient evidence to support their position. But she also thought as Mr K had made his 'investment' as a result of a cold-call and without conducting due diligence, that it would be fair for PayrNet to only refund half his loss. Mr K accepted this outcome, but PayrNet didn't. They didn't believe our service could investigate this complaint or that they should pay any redress.

I've previously issued a jurisdiction decision confirming that our service can consider this complaint. And following on from that I issued a provisional decision indicating my intention to uphold the complaint in full, based on PayrNet not providing evidence to support their position and because I didn't agree Mr K had been negligent. PayrNet then provided the information necessary to investigate this complaint and I issued a further provisional decision in which I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*PayrNet have now provided the information required to enable the investigation of this complaint. Having reviewed this I now intend to reach a different outcome compared to what I've explained before. PayrNet have evidenced that they took appropriate proof of identity and other documentation when opening the account. So based on this, I don't think they reasonably could have known, at that time, that the account might later go on to be used in connection with a fraud or scam.*

*The recipient account was newly opened. I've seen evidence to show that Mr K's payment*

*was the first credit into the account. And that it was spent / withdrawn from the account within around 48 hours. There was nothing so suspicious or indicative of potential fraud such that I think PayrNet should have done more before accepting Mr K's payment onto the account or following their customers instructions to pay the money away. In reaching this conclusion I've considered the type of account involved with its expected use, as well as the sum involved. And as the money was no longer in the account when Mr K raised this with PayrNet, I can't say that they failed in their recovery efforts as the money was already gone.*

*I've also considered Mr K's request that PayrNet share the details of where the funds were sent on to. PayrNet are required to comply with privacy laws. If they don't have a lawful basis for holding and processing personal data (which includes disclosing that information to a third party) it would be in breach of those. And in the circumstances of this complaint, there isn't a basis upon which I can direct that information to be shared directly with Mr K. For any information to be of use to pursue a third party, it would inevitably include personal data. That being said, I'm confident that a regulated firm like PayrNet would co-operate with any police investigation and that they would share information with the police, upon receipt of a request that they do so.*

*Overall, I'm sorry that Mr K suffered a loss as a result of a scam. But as this isn't something I think PayrNet are responsible for, I'm not intending to uphold this complaint."*

Neither PayrNet nor Mr K responded to my 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.

As neither party had any further evidence or comments for my consideration, I see no reason to deviate from the outcome explained in my provisional decision.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 20 December 2023.

Richard Annandale  
**Ombudsman**