

## **The complaint**

Miss H complains that PrePay Technologies Limited caused her several issues for many months including blocking her account.

## **What happened**

Miss H says PrePay have been debiting money from her account without an explanation, then they blocked her account without giving her any notice, which caused her wages to bounce back. She says they have an obligation to let her know her account has been blocked and they gave her no reason why her account was blocked. It has since become unblocked. Miss H made a complaint to PrePay.

PrePay did not uphold Miss H's complaint. They said she incurred two declined transaction fees due to declined transactions with a third party company as they were attempted with an old card that had been cancelled. PrePay said she was advised of their contactless limit as she had multiple transactions decline due to her exceeding her contactless limit. They said she had five contactless card transactions and the sixth transaction needed to be completed with Chip and Personal Identification Number (Chip & PIN) to reset the limit.

PrePay said it had already been confirmed to Miss H that her account had recently been blocked and unblocked as it had undergone a standard review to ensure it was being used in line with their terms and conditions. They said this caused multiple transactions to decline as her account was suspended for use whilst it was being reviewed, but she incurred no transaction fees for this. Miss H brought her complaint to our service.

Our investigator did not uphold Miss H's complaint. He said the declined transaction fees were charged in line with the terms of the account. He said Miss H had used a card which hadn't been cancelled and wasn't valid, and she had exceeded her number of contactless transactions. Our investigator said PrePay placed a block on her account in accordance with the terms and conditions as they were completing a review. Under the terms they didn't have to notify Miss H, and this is why her salary was returned. He said that PrePay refunded £12.42 in declined transaction fees and the monthly fee of £4.97 while the account was blocked as a gesture of goodwill.

Miss H asked for an ombudsman to review her complaint. She said that PrePay had acted illegally and have caused her harm which qualifies as financial malpractice. She detailed the impact that this had on her health.

## **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.

Miss H has made a number of points to this service, and I've considered and read everything she's said and sent us – including what she's said about her health. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

Miss H has mentioned that PrePay have acted illegally with their actions. But if Miss H wants a decision that PrePay has broken the law, then she'd need to go to Court. I've ultimately decided this complaint based on what's fair and reasonable.

I've looked at the terms and conditions of the account to see if PrePay have acted in line with these – after all, Miss H would have needed to have agreed to be bound by these when she opened her account with PrePay.

I can see the terms set out that there can be declined transaction charges applied to her account. Miss H sometimes incurred these when she used an old card to try and pay for items. As the old card was not active, then a transaction would be declined if she used the old card details. And I could not hold PrePay responsible if Miss H did not ensure the active card details were used. So I can't say that PrePay didn't act in line with the terms and conditions by applying this charge when the transactions were declined.

The terms and conditions show under term 6.1 that *"Please note that, for security reasons, after every fifth consecutive Contactless transaction a Cardholder will be required to enter the PIN to authorise the transaction"*. So if Miss H had not entered her PIN after every fifth consecutive contactless transaction, and this caused the transaction to decline, then I'm persuaded that PrePay wouldn't be acting against the terms and conditions if they charged her a declined transaction fee, as Miss H was made aware of the requirement to enter her PIN after every fifth consecutive contactless transaction.

I've considered what happened when the block was placed on Miss H's account. I know that this caused Miss H considerable distress as her salary was returned and this happened just before Christmas, which only added to the impact that this had on Miss H. But looking at the terms and conditions, I can't say that PrePay acted against these here as section 16.2 of the terms states *"We can suspend or terminate any Cards and/or, Account at any time with immediate effect (and until your default has been remedied or the Agreement terminated) without any prior notice to you if"* and 16.2.2 says *"we believe that this is necessary for security reasons"*. So here, PrePay did not need to give her any notice to suspend her account in order to complete a review for security reasons.

The suspension/block of the account resulted in Miss H's salary not being credited to the account. And while I have a great deal of sympathy for the position Miss H found herself in here, the terms show that under section 8.2 that *"A payment coming into the Account may not be credited to the Account if"* and under section 8.2.3 it says *"the Account is inactive or blocked"*. So as the account was blocked (suspended) due to the security review this resulted in the payment not being credited to the account.

Under section 8.3 the terms continue to say *"The funds may be sent back to the sender or Cardholder (where applicable) without notifying you if paragraph 8.2 applies"*. So as section 8.2 applied here, the funds were sent back without notifying Miss H. I know this caused Miss H inconvenience and distress but PrePay acted in line with the terms that she would have needed to agree to when she first opened the account. So it follows I don't require PrePay to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 17 November 2023.

Gregory Sloanes  
**Ombudsman**