

The complaint

Mr L complains about the delay in payments being cleared through his account with PayrNet Limited.

What happened

Mr L opened an account with PayrNet in October 2022. He asked about how payments of benefits were treated. It was explained to him, at the time of opening the account, that DWP payments are third party transfers and all such transfers will go through additional security checks which can take up to two working days. Mr D proceeded to open an account.

He received several payments from DWP and these all took up to two days to be credited to his account. He complained to PayrNet.

PayrNet explained that the account *"is a unique offering as you hold a physical asset, gold, and not standard fiat currency like other banking services. As such we have different regulations and security processes, which can sometimes lead to longer wait times than your typical service."*

On referral to the Financial Ombudsman Service our Investigator said that as PayrNet acted within its terms and conditions it hadn't done anything wrong.

Mr L didn't agree and the matter has been passed to me for further consideration.

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.

When Mr L decided to open the account with PayrNet, he specifically asked what would happen to his benefit payments. He was told that such payments are treated as third party transfers, and that all such transfers will go through additional security checks which can take up to two working days. I've noted that his payments took two days to be credited, which were within the terms and conditions of the account.

As I've set out above the PayrNet account is not like an ordinary bank account, as it is tied to the price of gold. As a result of this it has chosen to put additional security checks in place where payments come from a third party. Mr L asked PayrNet at the time of opening his accounts what the position was with regard to the payment of benefits. So he would have been aware that there would be such a delay. The information was contained in the terms and conditions and also set out in the frequently asked questions on its website.

So, Mr L was aware about how DWP payments were treated by PayrNet and he nevertheless chose to open the account. PayrNet acted within the terms and conditions of the account, which it was entitled to do. So I think that it acted fairly and reasonably.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 October 2023.

Ray Lawley
Ombudsman