

The complaint

Mr B complains that PrePay Technologies Limited trading as PrePay Solutions (PPS) blocked his attempted payments, locked him out of his online account and told him wrong information.

What happened

Mr B topped up a pre-paid card in preparation for an overseas trip. He says he tried to use the card at the hotel, but this was rejected as a contactless transaction and then a chip and personal identification number (PIN) transaction, meaning that Mr B was unable to check into his hotel, so he tried to withdraw cash from a cash machine, but this was rejected also. Mr B says that PPS' customer service was shut, so he had to put the hotel payment on someone else's card. Mr B spoke with PPS the following morning who told him the chip had failed and they asked him if he brought his emergency card, which was then activated.

Mr B says he used their application (app), but it locked him out, so he didn't know how much money was in his account. He says he phoned PPS to ask about his transactions to see which ones were pending and cleared, to be told he had £27 to use, but he went into a restaurant and only had £15 left and the transaction was declined twice. He says he was told incorrect fees by staff as he was told it was €1.75 per transaction but it was actually €3.75 per transaction. Mr B made a complaint to PPS.

PPS did not uphold Mr B's complaint. They said the payment attempts were unsuccessful due to their fraud regulations, but as this involves their internal process, they are unable to discuss the details of this. They said Mr B would only lock himself out of his account if the incorrect passcode had been entered. They said they have not had similar reports of this issue. PPS said Mr B was provided his balance of €28.97 on 3 October 2022, but then he made two transactions for €8.65 and €3.20, which brought his balance to €17.12. Mr B brought his complaint to our service.

Our investigator did not uphold Mr B's complaint. He said PPS acted in line with their internal procedures when the transactions failed due to fraud regulations, which they have a duty to do to protect their customers. He said PPS did not make an error when further transactions were declined for insufficient funds. He said PPS have a 24 hour customer service line where Mr B could've obtained the correct advice to activate his additional card sooner. Mr B asked for an ombudsman to review his complaint. He said the customer services were not open until 9am the following day and he wanted to know why his card was restricted.

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.

PPS have an obligation to try and keep their customers' accounts safe and prevent them being victims of fraud. Sometimes they identify and block legitimate payments due to security concerns. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly. PPS are not obliged to tell our service or Mr B

their security processes, although they have told us on this occasion the reason why the attempted transactions were unsuccessful. I'm unable to disclose these to Mr B for security reasons, which I know will bitterly disappoint him, but I can confirm that PPS acted in line with their terms and conditions in doing so.

I've considered what Mr B has said about the customer service's opening hours. But there was a 24 hour customer services line available to him. I know Mr B has disputed this previously, but it is shown in the terms and conditions he sent us under section 23.1 and it says "*Customer Services lines are open 24 hours a day*". So this option would have been available to Mr B to activate his additional card sooner and it was customer services who rang him in response to his email he sent them.

PPS have said that Mr B's account would have been restricted on the app if he had entered the passcode incorrectly. I know Mr B strongly disputes this, but PPS have confirmed there have been no other similar reports of this issue. So I've seen no evidence that would lead me to conclude PPS have made an error here.

I considered what Mr B has said about the fees. But these are shown in the terms and conditions of the account (section 14). Fees can be higher than the standard fees based on local operators charging additional fees. As this would be outside of PPS' control, then I'm unable to say they have done anything wrong here.

I've considered what Mr B has said about what he was told about the balance of his account. I've looked at the email he was sent, and he was told that he had €28.97. But I've also been provided information that shows he made a payment at 11:48am for €8.65 and 15:09pm for €3.20, which brought his balance to €17.12. So while I am sorry to read the impact of what happened on Mr B when he was unable to pay for his hotel at the time, I'm unable to say PPS made any errors, so it follows I don't require them 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 Mr B to accept or reject my decision before 5 September 2023.

Gregory Sloanes
Ombudsman