

The complaint

Miss C complains that PrePay Technologies Limited won't refund payments she says she didn't authorise.

What happened

In October 2022 a payment of £1,195 was made from Miss C's account with PrePay. Miss C says she did not authorise this payment, she says her phone had been lost or stolen and that somebody else must have used it to make the payment without her permission.

PrePay investigated and decided not to refund the disputed payment. It said that it had been unable to recover any funds from the beneficiary account, and that it did not consider the payment had been made due to any failure on its part.

As Miss C didn't agree with PrePay's decision, she asked us to investigate.

Our Investigator didn't recommend the complaint should be upheld. They felt it was fair for PrePay to conclude that Miss C had authorised the payment or allowed it to be made. Miss C disagreed, so she asked for her complaint to be reviewed by an ombudsman.

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.

Having done so, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Miss C is responsible for any payments that she has authorised (either by making them herself or allowing someone else to) and she isn't responsible for unauthorised payments.

I'm satisfied from the evidence PrePay has provided that the payment in dispute here was made via the PrePay app, and so was authenticated as per the process that app requires. But the regulations relevant to this case say that is not, on its own, enough to enable PrePay to hold Miss C liable.

So I also need to think about whether the evidence suggests that it's more likely than not that Miss C consented to the payment being made. And, from what I've seen, I don't think it's unreasonable to conclude that Miss C more likely than not consented to the transaction or otherwise allowed it to be made.

I say this because, in order for the payment to be made via the app, a third party would need to have been able to access Miss C's mobile phone, which she says had been either lost or stolen, and then log into the PrePay app. Miss C has said she kept all her login details on her phone, I've not, however, seen any reasonable explanation as to how someone would be able to bypass the passcode or biometrics on Miss C's phone to access it in the first

place. I also note that PrePay has said somebody called it the day after the disputed payment to close Miss C's account. It's not clear who this person was, but they had enough information about Miss C to pass the required security procedures. And, again, I've not heard any reasonable explanation as to how someone could have obtained that information without any input from Miss C.

So, taking everything into account, including all that Miss C has said, the evidence does not suggest to me that a third party could have made this payment. It follows that I consider it is reasonable for PrePay to conclude that Miss C either authorised the transaction herself or allowed it to be made.

I realise that this is not the outcome Miss C was hoping for, and she will no doubt be disappointed by the decision I've reached. But with all I've seen I cannot fairly and reasonably require PrePay to take any further action in relation to this matter.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 15 February 2024.

Sophie Mitchell
Ombudsman