

The complaint

Miss T complains that PayrNet Limited allowed a scammer to open and operate an account and that they didn't do enough when notified the payments she'd sent to their customer were made as the result of a scam.

What happened

Miss T made four payments from her account with her own bank 'M' to an account with PayrNet. She says these payments were made as the result of a scam. She'd agreed to buy a TV online, but after the payments had been made, the 'seller' ceased contact and the TV was never received.

The four payments took place between 28 December 2020 and 2 January 2021 and totalled £2,000. They were all paid into an account held with PayrNet. Miss T complained to M and referred that complaint to our service. She also mentioned that she was unhappy with PayrNet as it had failed to prevent her loss and our service notified them of Miss T's dissatisfaction. Miss T's complaint about M was resolved when she accepted their offer of a refund of 50% of her loss. But Miss T said she would still like to pursue her complaint about PayrNet.

One of our Investigators looked at whether our service could consider this complaint and concluded that we could. She said that Miss T was an eligible complainant. In May 2023 I issued a jurisdiction decision which found that Miss T was an eligible complainant, and I could consider PayrNet's actions on or after 31 January 2019 in relation to this complaint.

PayrNet then provided information to enable our service to consider this complaint. And in July 2023 I issued a 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.

Having done so I'm not intending to uphold this complaint. I know this will be disappointing for Miss T, so I'll explain why.

PayrNet have evidenced that appropriate proof of identity was taken from their accountholder when opening the account. And I've not seen any evidence to support that they reasonably could have known (when opening the account) that it would later go on to be used in connection with a fraud or scam.

I've also considered the account activity both prior to and soon after the arrival of Miss T's funds. The incoming and outgoing payments were generally for relatively modest amounts and there was nothing so suspicious about them, that I think it's reasonable to have expected PayrNet to have done more. PayrNet have also confirmed that they had not previously received any notifications of fraud or similar in relation to the account. They have also evidenced that none of Miss T's money remained in the account when M notified them of the problem with the payments. So overall, I don't think PayrNet did anything that either

caused Miss T's outstanding loss or hindered the recovery of her funds.

I'm pleased to hear Miss T was able to recover some of her loss from M, but for the reasons explained above, there isn't a reasonable basis upon which I can direct PayrNet to do more to resolve this complaint."

Neither Miss T nor PayrNet 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 comments or evidence 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 Miss T to accept or reject my decision before 5 September 2023.

Richard Annandale
Ombudsman