

## **The complaint**

Mr B complains that PayrNet Limited hasn't refunded him a payment that was transferred into his account with it and that it's closed his account without paying him the balance.

## **What happened**

In November 2021, Mr B sent the balance of an account he held with another business to his account with PayrNet. The transaction was declined by PayrNet and the money returned to the other business. But at the point the money was returned, Mr B's account with that business had been closed and so Mr B wasn't sure what had happened to the payment.

Mr B made PayrNet aware of this the day after the payment was made. PayrNet told Mr B that the transaction had been declined because it exceeded the amount that could be paid into his account in one day. Mr B told PayrNet why he didn't believe this was the case. But he didn't receive any responses to a number of messages he sent to PayrNet over several months about this. PayrNet then closed Mr B's account without any notice and he despite his requests, PayrNet didn't pay him the balance of his account.

As he hadn't heard back from PayrNet, Mr B brought a complaint to this service. We asked it for more information about the complaint, but PayrNet didn't respond. So one of our investigators considered the case based on what we had. They said that Mr B's account was limited to a total balance and there were limits on his deposits too – both of which the attempted transfers from the other business would have exceeded. So this was why the payments were declined.

The investigator felt that PayrNet hadn't been helpful in how it dealt with this situation though. It hadn't helped Mr B with the payment and hadn't responded to his messages, or given any notice about his account being closed. So our investigator thought that PayrNet should refund Mr B the amount of the payment in question and then contact the other business to recover the funds, along with paying Mr B the balance of his account. also recommended that it pay £300 for the distress and inconvenience caused and pay 8% interest on the money Mr B had been without.

PayrNet didn't respond at all, despite our service chasing it. So the complaint has been passed to me to decide.

## **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.

My ability to do so here is limited by PayrNet's lack of any response to this service's investigation. So I have to consider this complaint based on the evidence I do have and in doing so, I've taken account of PayrNet's failure to provide the information we've requested. This is in line with the Dispute Resolution rules (in particular - DISP 3.5.9R (3)) that apply to this service, which are laid out in the FCA Handbook.

It does seem that the most likely explanation for the initial payment being unsuccessful was because it exceeded the relevant limits on Mr B's account. Based on what we know, I think it was likely fair for PayrNet to have returned the funds here. In this situation, it wouldn't usually be fair to hold PayrNet liable for Mr B being without that money, where PayrNet has returned it to the other business. In these circumstances, the usual thing would be for Mr B to pursue that with the other business.

But, PayrNet has never shown us that it returned the funds in the way it suggests. Nor has it provided any explanation for what it did. So, we've asked the other business for its records of what happened. These records show a number of attempted transfers to PayrNet, all of which were unsuccessful – until one final transfer (chronologically the last one Mr B made on the relevant date of 15 November 2021) was successful. That payment was made to PayrNet and left Mr B's account with the other business with no remaining funds.

So the evidence we have shows that PayrNet looks to have received this money from the other business. It may be that there is some reason that PayrNet hasn't released this to Mr B – but it hasn't told us about any administrative issues, or other concerns it may have in relation to this. So, looking at things on the basis of the evidence I have – it looks to be that Mr B did transfer the amount in question to PayrNet and that it hasn't given him this money.

Without being provided with any reason to think that Mr B isn't entitled to this, it follows that it'd be fair and reasonable for PayrNet to pay this to him. This is along with 8% interest on the amount, payable from when he made the payment on 15 November 2021, to when PayrNet pays the amount back after acting on this decision.

There is then the issue of Mr B's account being closed and him not being allowed access to any balance in his account. Again, PayrNet hasn't explained why it's closed his account immediately, without notice and nor has it explained why it won't allow Mr B access to the balance that was in the account. There are certain circumstances where PayrNet would be entitled to do that, but it hasn't provided anything to support that this is the case here.

So without any good reason to not give Mr B access to his money, it follows that it's fair and reasonable to expect it to do so here. That means that PayrNet should pay Mr B any balance that's left in his PayrNet account, along with 8% interest payable from when Mr B first made this instruction, to when PayrNet pays the amount back after acting on this decision.

All of this will have caused Mr B some confusion, frustration and inconvenience. He's been without money, which he appears to be entitled to, and he's not had any answers to his complaint or questions for a significant period of time. For this, I think PayrNet should compensate Mr B and I think £300 is fair and reasonable for this.

## **My final decision**

I uphold this complaint. PayrNet Limited must:

- refund the payment of £1,803.83 to Mr B, along with 8% simple interest calculated from 15 November 2021 until the date this is refunded
- pay Mr B any remaining balance left in his account at the point it was closed, along with 8% simple interest calculated from when Mr B first instructed PayrNet to do this, until the date it is paid to him
- pay Mr B £300 for the distress and inconvenience caused by its handling of the matter

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 June 2023.

James Staples  
**Ombudsman**