

## **The complaint**

Mr C is unhappy PrePay Technologies Limited won't refund transactions he didn't make. PrePay Technologies Limited is the principal for Monese who Mr C banks with. So I'll mainly refer to Monese throughout the decision.

## **What happened**

- Mr C was contacted by someone pretending to be from Monese who convinced him to share some of his security details.
- That day, several payments were attempted from Mr C's account. I understand three successfully debited totalling £797.33. Monese declined to refund these saying Mr C didn't meet his responsibilities under the terms and conditions of the account. It did offer three months' free on its Premium pricing plan as a gesture of its goodwill.

## **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, I've reached the same outcome as our investigator for these reasons:

- Monese has declined to refund Mr C because he provided his security information to an unknown third party in breach of the terms and conditions.
- But Monese can't contract out of its statutory requirements in the Payments Services Regulations 2017 (PSRs), something that's made explicit in Regulation 137 of the PSRs.
- The PSRs' starting position is that Mr C isn't liable for payments he didn't authorise. Monese hasn't disputed these were unauthorised transactions. So I've gone on to consider section 77(4)(d) of the PSRs, which explains that, except where a payer has acted fraudulently, Mr C isn't liable for unauthorised transactions where the payment instrument has been used in connection with a distance contract (other than an excepted contract). Again, Monese hasn't suggested Mr C acted fraudulently. It's also not disputed these were distance contracts or suggested that they're excepted contracts.
- So, in line with the PSRs, I conclude that Mr C isn't liable for the transactions and Monese needs to put things right – by refunding his losses from these unauthorised transactions alongside interest to compensate him for the time he's been out of pocket.
- Monese ought to have refunded this much sooner – and I can see the delay has caused Mr C to worry about his finances and put a strain on his mental health. So, in line with the investigator's recommendation, I also award £100 to reflect his non-financial losses.

## **My final decision**

For the reasons I've explained, I uphold Mr C's complaint. PrePay Technologies Limited must:

- Pay Mr C the total of the unauthorised transactions, less any amount recovered or already refunded – I understand this to be £797.33.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised transactions to the date of settlement (less any tax lawfully deductible).
- Pay £100 for Mr C's distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 January 2023.

Emma Szkolar  
**Ombudsman**