

The complaint

'I', a sole trader business, complains about the way that PrePay Technologies Limited dealt with a fraud claim.

What happened

I explains that it noticed card payments on its account that it hadn't made. It contacted PrePay on 30 December 2020 about them and was later told that these wouldn't be refunded. I said it was unhappy that this was despite it contacting the merchants involved for information and was poor service from PrePay. It referred its complaint.

PrePay issued a final response letter on 23 February 2021 saying that the dispute had been rejected as I's card wasn't shown to have been compromised. And it said that this had been handled appropriately. When it submitted its business file it stated that it had raised a chargeback for one payment on 18 February 2021 and made a refund to I of the full amount involved of all of them and coming to £1,613.48 on 18 March 2021. This would be temporary for 60 days pending any follow up on the chargeback.

Our investigator recommended that in addition to the refund I be paid £200 for distress and inconvenience. She noted the time before the claim was settled, the additional efforts I had to go to in contacting the two merchants involved and the time I was out of pocket. It could have been refunded much earlier.

I had indicated that it would accept this amount of compensation as reasonable to settle the complaint. PrePay didn't respond to the view of our investigator or to the notice that this case would be passed to 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.

It isn't now in dispute that I was a victim of fraud. Somehow its card details were compromised, and I take into account that the actions of the fraudster caused inconvenience to I and distress to the owner.

I denied any involvement with the payments to the merchants here. And the outcome of a fraud claim isn't necessarily dependent on whether or not a chargeback was successful. I agree with our investigator in any event that if PrePay was going to be making a chargeback for the largest of the payments, then this could have been done earlier. When it was the information provided by the merchant didn't match the name, address or email information for I. The other smaller payments appeared to have been for transport services abroad. But a final response saying the claim wasn't going to be upheld was issued while the chargeback was ongoing. And that led I to refer the complaint to us on the date it received information that the merchant had attempted to challenge the chargeback request.

I can see that I was unhappy that it had to deal with this online with PrePay and that different

staff were involved. I'm afraid it's really a matter for PrePay to decide its method of communication. But in light of what I've said above and the lack of any response now from PrePay about what's been proposed I agree that I was caused needless distress and inconvenience. So, I will award compensation in line with our investigator's recommendation as I consider that to be fair.

My final decision

My decision is that I uphold this complaint and I require PrePay Technologies Limited to pay I £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 23 November 2022.

Michael Crewe
Ombudsman