

## **The complaint**

Mr C complains that PayrNet Limited won't refund payments he didn't make from his account.

## **What happened**

Mr C disputes two payments from his account on 12 December 2020 – one for £3 and the other for £283. Both were made to a payee he didn't recognise. He says that he believes that his computer that he'd pawned had been 'hacked'. He is unhappy at the time taken to look into this.

PayrNet is responsible for dealing with the complaint on his account. In April 2021 a final response was issued offering Mr C £50 in compensation as it said that his complaint "*was not solved in a timely manner*". Mr C referred his complaint to this service and in October 2021 PayrNet said that it had been unable to recall the funds from the business that held the account receiving them.

Our investigator recommended that the complaint be upheld. This service had asked PayrNet for information about how the payments were authenticated and the device used. And about what other devices were registered on the account. This hadn't been received and she said that PayrNet hadn't shown that Mr C authorised the payments. So, he shouldn't be responsible for them. She said that the payments should be refunded together with eight percent simple interest and Mr C also paid a further £75 in compensation for the unnecessary trouble and upset caused.

Mr C agreed with the settlement. PayrNet didn't provide any further information or say whether it accepted the recommendation. And so, the complaint was passed for an ombudsman review.

## **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.

In my view PayrNet has now had sufficient opportunity to provide the information that we'd requested and to provide its response to the investigator's recommendation issued to it on 22 September 2022. It hasn't said by what date it would be able to provide anything further and so I now consider it fair to make a decision on this complaint.

I need to take into account the Payment Services Regulations 2017 in considering this complaint. These state that a payment can only be authorised if it was consented to. So, it's not enough for it to be authenticated, say with personal security information. And if they weren't authorised Mr C wouldn't generally be responsible for them.

As our investigator has said we haven't received information about how these payments were authenticated. I've seen some information about the IP address that seemed to be associated with activity on Mr C's account at certain times. But I've not seen how that related

to any device used to set up this specific payee and make the payments. So, I can't be satisfied that PayrNet has shown that these payments were authenticated.

Mr C has given an explanation of what he happened and reported this to Action Fraud as he was asked to. I've also seen the ongoing history of online chat messages provided by PayrNet. Mr C had responded to questions and these often seemed to be repeated.

PayrNet hasn't given an explanation of why it doesn't accept his version of events. And beyond there being an unsuccessful request for the return of the funds from the other financial business involved, I'm unclear what other action was taken.

I'm not persuaded on the information available that Mr C authorised these payments. I'd expect him to keep his security information safe. I can't say he's right that it was his computer that was hacked here or not and that in the circumstances he'd left his security information in a way openly accessible to others. And as I have no other information from PayrNet about how these payments came to be made then in any event I don't find it reasonable that he be held responsible for them

I agree with the resolution suggested by our investigator. I'm not clear that Mr C has been paid the initial £50 offered by PayrNet and so I include this in my award to be paid if it hasn't already. The further compensation is reasonable in light of my findings and the inconvenience he's been caused.

### **My final decision**

My decision is that I uphold this complaint and I require PayrNet Limited to:

- 1) Refund £283 to Mr C.
- 2) Pay simple interest of eight percent per annum from the date of the payments to the date of the settlement.
- 3) Pay Mr C a total of £125 in compensation (which for the avoidance of doubt includes the £50 already offered by PayrNet).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 November 2022.

Michael Crewe  
**Ombudsman**