

The complaint

Mr S complains that PrePay Technologies Limited blocked his account and didn't give him access to the remaining funds when the account closed.

What happened

Mr S had an account with one of PrePay's agents. To keep things simple I'll refer to PrePay in this decision. In December 2020, PrePay asked Mr S to provide information about funds paid into the account – and Mr S replied the same day. Mr S contacted PrePay for updates, but was told he needed to wait to hear from the compliance team.

Dissatisfied, Mr S referred his complaint to us.

PrePay completed the review and decided to close Mr S's account. It offered to pay Mr S £100 for the inconvenience caused by the delay in its investigation, and asked Mr S to provide account details to return the remaining funds. But Monese said it in fact sent £995.50 back to the remitter of the funds – and sent just £5.69 to Mr S's other account.

I looked at this, and didn't think PrePay had shown it had cause to return the funds to the remitter. But in response PrePay sent me additional information which led me to ask Mr S for further details about the funds paid into the account. I then issued provisional findings on 31 March 2023, in which I concluded that PrePay had paid fair compensation for what had happened and that it didn't need to do anything further.

Mr S disagrees. He says these funds are his hard earned money, and that he's sure that PrePay should be able to get the funds back from the remitter and pay them to him. PrePay hasn't sent me anything further to consider.

I've therefore considered the complaint afresh.

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.

Financial businesses, like PrePay, are subject to a number of legal and regulatory requirements. These require them to monitor their customers' transactions and may mean they need to review an account at any time. Where it does this it doesn't need to give reasons. Based on what I've seen, I'm satisfied PrePay was acting in line with its legal and regulatory obligations when it blocked the account. I'm also satisfied this is something it was able to do under the terms and conditions that applied to Mr S's account.

I'd expect PrePay to complete any investigation in a timely manner. Although PrePay blocked the account in December 2020, it doesn't appear to have completed the review until April 2021. And it didn't return the remaining funds to Mr S and the remitter until December 2021. PrePay says this was the result of internal backlogs. I'm satisfied much of this delay was avoidable.

Finally, I considered PrePay's decision to return most of the funds to the remitter. The terms and conditions allow PrePay to return funds to the sender in certain circumstances. But I'd only expect PrePay to do this where it was satisfied Mr S wasn't entitled to them.

PrePay doesn't appear to have asked Mr S anything about this specific transaction at the time. So initially I didn't think PrePay had shown cause to return these funds. But PrePay has sent us additional information in response to my initial findings, which led me to ask Mr S for further details of this payment.

Mr S says that the payment related to a cash in hand job – he was working a trial period in household insulation. But he hasn't been able to provide any paperwork or payslips relating to this job. Nor was he able to provide this in response to my provisional decision. Mr S says that had PrePay asked for this sooner, he might have been able to provide this. But while I've carefully considered what Mr S has said about this, I'm not persuaded Mr S would have been able to provide satisfactory evidence of his entitlement to the funds. Given that he can't now provide documentary evidence, and given the concerns PrePay have now told us about, I don't accept that PrePay acted unfairly in returning the funds to sending account.

I've therefore considered what PrePay needs to do to put things right. PrePay has paid Mr S £100 to reflect the distress and inconvenience the delays caused Mr S. It has also returned the remaining £5.69. Thinking about everything that happened, I'm satisfied that this is a fair resolution to Mr S's complaint. I acknowledge the delay would have caused inconvenience. But I've found PrePay was ultimately justified in returning the funds. I make no further award.

My final decision

For the reasons above, my final decision is that PrePay Technologies Limited has paid fair compensation for the delay in reviewing Mr S's account. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 May 2023.

Rebecca Hardman
Ombudsman