

The complaint

Company Y complains that due to poor customer service from Mettle, an agent for PrePay Technologies Limited, they suffered financially, put to inconvenience and also suffered loss of reputation.

What happened

The background to the complaint is known to both parties and so I won't repeat it at length here. Briefly, as I understand it, Y is an arts service provider to businesses. In August last year, Mr G was referred by one of Y's customers, to a new potential customer. Mr G went to the premises of the customer to finalise a few details and take a deposit.

Y uses Mettle, a mobile app based e-money account provided by PrePay Technologies. When Mr G was with the potential customer, he wanted to provide Y's Mettle account details to the customer. Unfortunately, the app didn't work. Mr G called Mettle and essentially, he was not given proper advice. This led to the issue continuing for over two hours, with Mr G having multiple conversations with Mettle and the matter was eventually resolved.

Mr G said that not only this caused inconvenience, but he also lost that customer's business, which was worth £800. He said that he came across as unprofessional and that had a bearing. He also said that he had to spend at least two hours to sort this out which he need not have. He said his hourly rate was £25. Therefore, he said PrePay Technologies should pay him a total of £850 by way of compensation.

PrePay Technologies accepted that its agent didn't follow the procedures correctly, thereby causing confusion and inconvenience to Y. It offered to pay £50 for the time Mr G had to spend on this, which he didn't accept.

One of our investigators concluded that the fair compensation should be £250. In reaching their conclusion they said that the recommended compensation is to take into account the inconvenience caused, the time Mr G had to spend on this issue and some damage to the reputation caused to Y.

PrePay Technologies didn't agree. It felt that £250 was disproportionate to the impact caused by the issue. It said that if all Mr G wanted from the app at the time was his bank details, he could have asked and its agent would have provided those details. But Mr G did not mention that and therefore it could not be held responsible for him coming across as unprofessional.

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.

PrePay Technologies has accepted its agent made an error, and I agree. As it has helpfully explained, its agent incorrectly advised Mr G in the first instance to delete the app and reinstall it. And then did not alert him that he needed a recovery code, despite Mr G asking specifically what information would be needed to log in. The agent then followed it up with an email basically asking Mr G to get the recovery code from 'an old device'. This is despite Mr G stating that he did not have access to the app on another device.

This led to Mr G contacted Mettle again and was advised that an agent would have to call him to reset the recovery code. Mr G asked Mettle to call him as soon as possible but he was advised that a call is scheduled about an hour later. Still, Mettle didn't call him at the scheduled time and so Mr G had to call back and the matter was eventually resolved.

Thus, it took Mr G nearly two hours to resolve the matter and multiple contacts with Mettle, all of which could have been avoided had the agent in the first instance properly advised him. It is evident that this caused inconvenience to Y.

I cannot be certain that Y lost the order solely due to the difficulties Mr G had with Mettle app. If Y's customer was keen to proceed with the order, it seems more likely to me that they would have done so later on once the matter was resolved. I also note that when the issue was ongoing, Mettle wasn't put on notice of the potential loss if it failed to resolve the matter swiftly.

That said, I accept that Mr G spending nearly 45 minutes in front of a new potential customer to sort out the issue wouldn't have come across well. So, I agree with the investigator that it likely resulted in some loss of reputation to Y. PrePay Technologies say that if all Mr G needed was his account number and sort code he could have asked. But I can see from the transcripts of the conversations he was having with the agent that he was focussed on trying to get the app up and running. That was his primary concern and so I can see why it hadn't occurred to him to seek the information from the agent.

Further, Mettle's agents could see that he was struggling to get into the app. At one time he told the agent that he wanted this to be resolved as soon as possible. The agent still insisted they needed to call him to provide the recovery code, but they could only schedule a call an hour later. At that time, given that they could only call an hour later, they could have asked him what else they could do to help him meanwhile given his urgency and the matter could have been resolved then.

Overall, I agree with the investigator that this matter caused avoidable inconvenience and some damage to the reputation of the company. In instances like this, what would be the appropriate remedy is never a matter of exact science. However, on balance, I consider that the remedy proposed by the investigator is fair and reasonable in all the circumstances of the complaint, and is broadly in line with what we would normally award where the impact was more than minimal, which is the case here.

My final decision

My final decision is that I uphold this complaint. In full and final settlement of it, PrePay Technologies Limited should pay £250 to Y.

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

Raj Varadarajan
Ombudsman