

The complaint

Mr M complains PrePay Technologies Limited (PrePay) blocked his prepaid currency card without any notification causing him inconvenience while overseas.

What happened

Mr M says while he was overseas in 2021, he attempted to use his prepaid currency account (PCA) which he had held since 2016 with PrePay, but the transaction was declined. Mr M says he emailed PrePay as he needed access to the funds on the account of around US \$100. Mr M says PrePay initially suggested he needed to call them and then emailed him to say it would call him back but failed to do so.

Mr M says when he returned to the UK he took the matter up again with PrePay and the issue of inactivity fees charged to his PCA. Mr M says PrePay told him his PCA had been suspended in May 2020 due to a potential fraudulent transaction and the fees charged were in line with the terms and conditions of the PCA.

Mr M says he hadn't received any notification of the suspension of his PCA, and this caused him extreme inconvenience and had to borrow money from friends because he couldn't access the money in his PCA. Mr M says PrePay offered him £50 for the poor service he experienced and doesn't feel this goes far enough to cover the stress and inconvenience this has caused him.

PrePay says there was a transaction on Mr M's PCA in May 2020 which triggered its fraud rules, so the card was suspended. PrePay says the inactivity fees have been correctly charged in line with its terms and conditions, that Mr M would have agreed to. PrePay says it was sorry that it failed to call Mr M when it promised to and offered Mr M £50 by way of apology.

Mr M wasn't happy with PrePay's response and referred the matter to this service.

The investigator looked at all the available information and upheld Mr M's complaint. The investigator says there was no evidence to show PrePay had ever informed Mr M his PCA had been suspended and so he wasn't aware that it couldn't be used. The investigator felt PrePay had however correctly charged the inactivity fees, as these are stipulated in the terms and conditions of the PCA that Mr M had agreed to when opening the account.

While the investigator understood the points PrePay made about Mr M having access to a second card on his account, this didn't alter the fact it hadn't advised Mr M the account he wanted to access while overseas had been suspended. As a result, the investigator felt PrePay should increase its offer of compensation by a further £100, making a total of £150.

Mr M didn't agree with the level of compensation the investigator had suggested and asked for the matter to be referred to an ombudsman for a final decision.

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 will also be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr M not to be able to access the balance of his PCA while overseas.

When looking at this complaint I will consider if PrePay acted fairly, when it suspended Mr M's PCA and charged the inactivity fees when it did.

Like the investigator having looked at the terms and conditions of the PCA it is clear that fees are charged if it isn't used for 12 months, so I can't say PrePay have done anything wrong in relation to that part of the complaint.

Where I do have an issue is while PrePay perhaps acted in line with its fraud prevention rules in May 2020, when it suspended Mr M's PCA, there's no evidence to show it ever let him know that. PrePay have made clear that is the reason why the card couldn't be accessed while Mr M was overseas. Although PrePay says Mr M had access to a second card on his PCA, I don't see this as directly relevant to the fact it had suspended his main currency card without letting him know.

Having said that I also have to take into account Mr M hadn't taken any steps to check his PCA before travelling, especially given it had been some years before he previously used it. In addition, I need to consider the fact, without trying to minimise the frustration this would have undoubtedly caused Mr M here, the balance was less than \$100 - so any compensation here needs to be proportionate to the level of inconvenience caused by him not having access to that sum.

While Mr M may not agree, it's not my role to penalise businesses when mistakes are made and here the main issue is Prepay couldn't provide any evidence to show it did let Mr M know his PCA had been suspended, as it suggested. Additionally, PrePay has apologised for the fact it failed to call Mr M when it said it would.

So, taking all of this into account, like the investigator I am satisfied a more appropriate level of redress would be a total of £150 - £100 more than PrePay have offered.

While Mr M will be disappointed with my decision, I feel this is a reasonable outcome here in the circumstances of this complaint.

Putting things right

I instruct PrePay Technologies Limited to pay Mr M a total of £150 for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint.

I instruct PrePay Technologies Limited to pay Mr M a total of £150 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 July 2023.

Barry White
Ombudsman