

The complaint

Ms A complains PrePay Technologies Limited trading as PrePay Solutions (PPS) took too long to refund the balance on her travel money card, to her bank account.

What happened

Ms A says in late June 2022 she telephoned PPS to check the email she had sent requesting the balance of her travel money card (TMC) to be sent to her bank account, had been received by them. Ms A says PPS confirmed it had received the email but later informed her that the refund would take longer as they'd only processed her request on the 13 July 2022. Ms A says PPS had originally agreed the refund would take a maximum of 30 days from the date she provided her email and bank statement and the delay in receiving these monies put her in a difficult financial position. Ms A would like PPS to apologise and pay her a more appropriate amount of compensation for the trouble and upset this has caused her.

PPS says it has apologised for its mistake and agrees the refund of the outstanding balance on Ms A's TMC should have been actioned within 48 hours of the request being received, and the balance sent within 30 days of that. PPS says it offered Ms A £50 as a gesture of goodwill. Ms A wasn't happy with PPS's response and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint. The investigator felt PPS should have actioned the request within 30 days of the email Ms A sent them, meaning the refund should have been received by 27 July 2022 and not 17 August 2022. With that in mind the investigator asked PPS to pay interest on the balance on the TMC at 8% simple between 27 July 2022 and 17 August 2022. In addition, the investigator felt PPS should increase its offer of compensation from £50 to £150.

Ms A didn't agree with the investigator's suggested offer of compensation 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 upsetting and frustrating for Ms A having given PPS instructions to return the balance of her TMC, to then be told it would take almost three weeks longer than she was originally informed, to receive her money.

When looking at this complaint, given PPS agreed it has made a mistake here, I will consider if the amount of compensation it offered Ms A was sufficient in the circumstances.

It's fair to say here that when Ms A emailed PPS asking for her TMC balance to be sent to

her and followed this up with a telephone call to confirm its receipt, that should have been the date from when its refund process of 30 days started. PPS have accepted this and have also made the point it could have provided better service to Ms A when she enquired about the exchange rate. So, it's fair to say Ms A was inconvenienced here and had to wait almost three weeks longer than she should have, before the monies were paid into her bank account which put a strain on her finances.

That said, my role isn't to penalise businesses when mistakes are made, but to see it apologises and offers an appropriate amount of redress. I can see PPS have apologised for the poor service here and have gone some way to compensate Ms A, when it offered £50 by way of a good will gesture. But like the investigator I don't feel this goes quite far enough and PPS should increase the compensation so that £150 is paid in total for the delays it caused. In addition, I also agree PPS should acknowledge the fact Ms A didn't have access to those funds for almost three weeks longer than she should have here.

So, to put matters right PPS should additionally pay Ms A 8% simple interest from the date the funds should have been received on 27 July 2022 to 17 August 2022, when they were finally received. While Ms A will be disappointed with my decision, I feel this is a fair outcome here.

Putting things right

I instruct PrePay Technologies Limited trading as PrePay Solutions to pay Ms A £150 by way of compensation for the trouble and upset caused. In addition, it should pay Ms A 8% simple interest on the balance transferred to her bank account for the period 27 July 2022 to 17 August 2022.

My final decision

My final decision is that I uphold this complaint.

I instruct PrePay Technologies Limited trading as PrePay Solutions to pay Ms A £150 by way of compensation for the trouble and upset caused. In addition, it should pay Ms A 8% simple interest on the balance transferred to her bank account for the period 27 July 2022 to 17 August 2022.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 10 April 2023.

Barry White
Ombudsman