

The complaint

Mr A has complained that PayrNet Limited (under the brand Pockit) hasn't returned his funds to him after closing his account.

What happened

In late 2021, PayrNet explained they were closing Mr A's account following a review. They asked Mr A which account they should return his balance to, and he provided his bank details. But after some delay, in early 2022 PayrNet paid the funds to a different account of Mr A's which had since closed, so the payment bounced back.

PayrNet didn't notice the payment had bounced back. So when Mr A chased them, they either claimed they'd already paid him, or ignored his correspondence. They paid Mr A £150 compensation for the initial delay, but insisted they'd refunded him in early 2022.

Our investigator looked into things independently and upheld the complaint. They said PayrNet should return Mr A's funds and pay a further £300 compensation for the significant delay they caused. PayrNet paid the £300 compensation, but didn't return Mr A's funds, saying they were having trouble doing so.

Our investigator awarded a further £250 compensation for the further delay, and reiterated that PayrNet should return Mr A's funds immediately. PayrNet didn't substantially respond, so the complaint's been passed to me to decide.

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.

I find that PayrNet got things very wrong here. They've communicated disappointingly poorly – at times seemingly ignoring Mr A outright. And they've so far failed to pay Mr A his money for about a year and a half, despite all the chasing that Mr A and our service have done. It looks like the account they tried to pay in early 2022 was a different one to the one Mr A asked them to pay. And they should certainly have noticed that the funds had bounced back, instead of continually insisting they'd returned Mr A's money when they hadn't.

I do not see a good reason why PayrNet should still be having trouble paying Mr A. Mr A provided two different accounts they could pay his funds to, and he provided statements for both to confirm his details. And PayrNet successfully paid Mr A his compensation, so they clearly are capable of paying him. Mr A's also said he's happy to accept payment by cheque. In any case, if PayrNet are having issues making the payment, that's something for them to sort out as quickly as possible – it's not an issue for them to pass onto Mr A.

I agree with our investigator that PayrNet should pay Mr A further compensation to account for their further delay and the further trouble, stress, and frustration they've caused. Our investigator suggested £250, but I think it would be more reasonable for PayrNet to add 8% simple interest onto the refund of Mr A's balance. This is the same rate that courts use to compensate people for the time they're without their money. This interest should be paid from November 2021 – when PayrNet were first supposed to return Mr A's balance – until the date his balance is returned now. And the longer that PayrNet take to return Mr A's funds, the more that this simple interest amount will increase. Mr A explained that his remaining balance was about £2,600, which means that at present the 8% simple interest will be about £300 or so.

Putting things right

I direct PayrNet Limited to:

- pay Mr A his remaining funds; and-
- pay simple interest to Mr A on those funds, at the rate of 8% simple a year, payable from November 2021 until the date the money is returned to him[†]. This is to compensate Mr A for the time he didn't have his money.

[†] HM Revenue & Customs may require PayrNet to take off tax from this simple interest. PayrNet must give Mr A a certificate showing how much tax it's taken off if he asks for one. Mr A may be able to claim the tax back from HMRC if he doesn't normally pay tax.

My final decision

For the reasons I've explained, I uphold Mr A's complaint, and direct PayrNet Limited to put things right by doing what I've said above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 April 2023.

Adam Charles
Ombudsman