

The complaint

Mr S is unhappy with the service he received from Prepaid Financial Services Limited ("PFSL") surrounding an account balance discrepancy.

What happened

Mr S received a statement from PFSL which covered the period 1 January 2022 to 1 September 2022, and which showed total money coming into the account during that period of £665.34 and total money going out of £631.89. The difference between these amounts is £33.45, which Mr S believed should be the balance of his account. However, the balance of the account shown by PFSL was only £3.70. Mr S complained to Mr S about this but received no response. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They noted that PFSL had confirmed that they had no money on hold for Mr S and hadn't been able to explain why the apparent discrepancy had arisen.

As such, they felt it was reasonable that the balance of the account should be the difference between the money in and the money out and so they recommended that this complaint be upheld and that PFSL should credit Mr S's account with the appropriate amount and make a payment of £50 to him as compensation for the trouble and upset this matter had caused.

PFSL didn't respond to the view of this complaint put forwards by our investigator and Mr S felt that a higher amount of compensation was merited. So, the matter was escalated 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.

It's clear from the PFSL statement that Mr S has provided to this service that there was no balance present in the account at the beginning of the statement period. As such, it stands to reason that the balance of the account should be the difference between the money received into the account and the money that's left the account during the statement period.

Confusingly however, when I add and subtract the various amounts that came into and left the account as given on the account statement, a figure arises that is between the £3.70 that PFSL declare as the balance and the £33.45 that is the difference between the given money in and money out totals.

Additionally, it also seems from the PFSL statement that transaction amounts aren't accurately reflected in the rolling account balance. For instance, on 30 July 2022, with the balance of the account at £224.21, a transaction of £6.00 leaving the account reduces the account balance to £212.71 – a reduction of £11.50.

It's unclear why this would be the case, and PFSL haven't provided any explanation about

the account balance despite being asked on numerous occasions to do so by both Mr S and this service.

Given this lack of explanation, I feel it's only reasonable to conclude that PFSL have most likely made an error here. And so, I feel it's fair that PFSL should reimburse Mr S the amount that would be most beneficial for him. This is the difference between the £33.45 which is the difference between the money in and money out amounts given on the statement and the £3.70 balance given on that statement by PFSL. This amounts to £29.75.

It's my understanding that Mr S has now closed his PFSL account, and so PFSL must pay this £29.75 to Mr S to an account of his choosing.

Finally, PFSL must also make a further payment of £50 to Mr S, which I'm satisfied provides fair compensation for the upset and inconvenience he's incurred.

I'm aware that Mr S feels that a higher amount of compensation should be awarded for his trouble here. But it seems to me that some of Mr S's frustration stems from how PFSL have handled his complaint about this matter. And it must be noted that it isn't within the remit of this service to consider a complaint about how a business has handled a complaint – even when that handled complaint is about a financial matter. And regarding the trouble and upset Mr S has experienced that I can consider, I feel that £50 is a fair compensation amount.

I realise this might not be the outcome that Mr S wanted, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

PFSL must make a payment of £79.75 – the sum of £29.75 and £50.00 – to Mr S.

My final decision

My final decision is that I uphold this complaint against Prepaid Financial Services Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 April 2023.

Paul Cooper
Ombudsman