

The complaint

Mrs A complains that PrePay Technologies Limited (PrePay) won't refund £300 she says wasn't dispensed by an ATM.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat them all again here in detail. But I will provide an overview of events below.

On 5 January 2023 at 15.54, Mrs A attempted to withdraw £300 from an ATM. Mrs A got a receipt for the transaction, and it showed on her statement, but she said the cash wasn't dispensed. Mrs A first raised the dispute with PrePay at 16.11 on 5 January 2023.

On 13 January 2023 PrePay raised a chargeback. On 23 February 2023 it told Mrs A the chargeback had failed. PrePay said:

'the chargeback was rejected by our card issuer because the ATM operator was able to confirm that the funds were dispensed from the ATM'.

Unhappy with this response, Mrs A referred her complaint to the Financial Ombudsman.

One of our Investigators considered the complaint and upheld it. He concluded that PrePay should've requested further information from the ATM provider – such as the purge bin report, evidence the ATM balanced and whether it had been tampered with. Our Investigator said without this, he couldn't conclude, on balance, whether the £300 had been dispensed from the ATM. For these reasons, he asked PrePay to refund Mrs A £300 with 8% interest.

Mrs A accepted our Investigator's findings but PrePay didn't so the case has been passed to me to decide.

In short, PrePay said it didn't have access to the information our Investigator had asked for, as it didn't own the ATM used by Mrs A. It said it had contacted the ATM provider – but hadn't heard back. But in any event, PrePay said the information provided by way of the chargeback process was ***'enough to show the funds were dispensed'***.

PrePay added that as part of the chargeback process – the key piece of evidence is the journal role – which it said it had provided to our Investigator. PrePay said the other evidence our Investigator asked for wasn't required as part of the chargeback process to prove the funds had been dispensed – and wasn't an industry standard requirement for resolving ATM disputes.

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've reached the same outcome as our Investigator – and for largely the same reasons.

It's for PrePay to evidence the transaction Mrs A made was processed correctly. And when applying my fair and reasonable remit, I must consider whether PrePay took reasonable steps to request technical evidence to show the £300 had been dispensed.

PrePay has provided us with a copy of the ATM journal roll showing Mrs A's transaction, as well as some transactions made shortly before and after. This information shows that after Mrs A's withdrawal – the ATM balance reduced by £300.

I can see that the journal role entry in relation to Mrs A's transaction looks quite different to the entries for withdrawals made immediately before and after – and suggests an error may have occurred. PrePay has explained that this was considered as part of the chargeback process, whereby specialist advice was obtained which confirmed the journal role entry **'doesn't mean that cash wasn't dispensed'**. On that basis, PrePay was satisfied there'd been no error.

I appreciate PrePay has followed the chargeback process. However, I don't think this limited evidence is enough to say that the ATM correctly dispensed the amount Mrs A requested.

PrePay hasn't been able to provide evidence to show:

- The breakdown of notes dispensed to Mrs A.
- The disputed amount of £300 hadn't gone into the purge bin.
- The ATM balanced on 5 January 2023.
- There weren't any reported problems with the ATM around the time of the transaction.
- There were no other claims raised for transactions completed on the same day.

In the absence of this information, I can't be certain that the ATM correctly dispensed the money to Mrs A. I appreciate PrePay has told us it did try to contact the ATM provider, but I think it's reasonable to expect it to have carried out more enquiries and obtain more evidence to show the money was dispensed, particularly since it had questions over the validity of the journal role entry relating to Mrs A's transaction.

And so, taking all this into account, even though the ATM balance reduced by £300, I can't rule out the possibility that there was a problem or some type of error with the ATM that affected Mrs A's transaction in some way.

Furthermore, Mrs A's testimony has been consistent throughout, and she took the action I'd expect following the withdrawal, which adds to her credibility. Mrs A acted quickly and contacted PrePay within twenty minutes of making the cash withdrawal. And she's said she made direct contact with the ATM provider, who directed her back to PrePay. She also has a receipt for the transaction.

Having considered Mrs A's testimony, I find it to be more persuasive than the evidence (or lack of) provided by PrePay.

Putting things right

When there are two competing versions of events put forward by the parties involved in a complaint, I must consider whatever evidence is available. I then weigh this evidence against the balance of probabilities to decide what's more likely to have happened in the

circumstances.

Having done this here, all things considered, and on the balance of probabilities, I think it's more likely than not that Mrs A didn't receive the money she requested from the ATM. And it follows that PrePay should refund Mrs A £300 plus interest.

My final decision

My final decision is that this complaint is upheld. PrePay Technologies Limited should:

- Refund Mrs A £300.
- Add 8% simple interest per year to this amount from the date of the transaction to the date of settlement - less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision **before 8 November 2023**.

Anna Jackson
Ombudsman