

The complaint

Miss D complained that PayrNet Limited (“PayrNet”) restricted and then closed her Pockit account and that it has not returned all the funds in it.

What happened

Miss D held a Pockit account. Pockit Limited is an electronic money agent of PayrNet Limited, which in turn issues the Pockit Card, a prepaid card.

In December 2020 PayrNet sought information from Miss D about the source of funds which had been credited to her account. It also asked her to provide updated identity documents. In the meantime, it restricted her account, so she could not use the payment card.

In July 2021 PayrNet told Miss D that it was closing the account. It said she did not need to do anything, as the account balance was nil. Miss D questioned that; she thought she had around £500 in the account. PayrNet said that funds in the account had been returned to source. In fact, that had not been possible, since the funds had been paid in cash at a PayPoint (rather than being transferred from a bank account, for example). They remained with PayrNet.

PayrNet asked Miss D to provide her bank account details and a copy of a bank statement so that it could return the funds to her. She provided that information in August 2021. PayrNet did not however return the funds to her, and the bank account she had then is now closed.

Miss D referred the matter to this service. One of our investigators recommended that the funds be returned to Miss D. PayrNet said that it had contacted Pockit about the payment, but was unable to say when or if it would be made or to explain why it had not been made. The case was therefore passed to me so that I could issue a determination which, if accepted by Miss D, would be binding on both parties.

On 22 June 2023 I issued a provisional decision. I explained that I was broadly in agreement with the investigator about how the matter should be resolved – that is, the funds should be returned to Miss D. I thought that PayrNet was within its rights to ask about the source of funds and subsequently to close Miss D’s account. I noted however that, although it had said that the money would be returned to Miss D, that had not happened.

I thought however that the investigator’s recommendation didn’t go far enough. I noted that Miss D had been deprived of funds for (at the time of my provisional decision) nearly two years. She should be compensated for that, by way of an award of interest. I thought too that PayrNet should make a further payment of £200, in recognition of the significant inconvenience to which Miss D had been put.

Both PayrNet and Miss D accepted my provisional decision. PayrNet asked that Miss D provide details of a bank account to which payment could be made, which she provided.

Since then, Miss D says she has received two payments – £263.10 on or about 24 August 2023 and £260 on or about 12 September 2023. I calculate however that the award I indicated I would make would have been worth around £730 at the date of my provisional decision. Miss D has therefore received about £280 less than PayrNet agreed to pay her and which she agreed to accept.

I have therefore reviewed the case afresh, in part with a view to making a binding decision which Miss D can enforce, should that be necessary.

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.

As I have said, the parties were in agreement about how Miss D's complaint should be resolved. PayrNet has not however done in full what it agreed it to.

The investigator indicated to PayrNet that, in the circumstances, I would consider increasing my award in recognition of the distress and inconvenience caused by the continuing failure to resolve this matter. On reflection, I believe that a payment of £300 in respect of this aspect of the complaint would be fair.

I also note that the payments which PayrNet has made have not included any explanation of how they have been calculated. In the circumstances, I think Miss D should be provided with that, so she can be sure that my award has been paid in full. I will therefore require PayrNet to provide calculations in respect of all payments made – including those made on or about 24 August and 12 September 2023.

My final decision

For these reasons, my final decision is to uphold Miss D's complaint. To resolve it in full, PayrNet Limited should place Miss D in the position she would have been in if, following my provisional decision, it had paid her:

- £448.40, the sum held to her credit when her account was closed;
- interest on that sum at 8% a year simple from 30 July 2021 (the day on which it said it had returned the money) until payment; and
- £300 in recognition of the inconvenience to which Miss D has been put.

PayrNet Limited should also provide Miss D with calculations showing the payments made, including the dates and the interest added.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 21 November 2023.

Mike Ingram
Ombudsman