

The complaint

Mrs G is unhappy that Prepaid Financial Services Limited (“PFSL”) had terms and conditions that weren’t clear, and which led her to load money onto a prepaid payment card that she then wasn’t able to access in the manner that she wanted.

What happened

Mrs G loaded over £10,000 onto a prepaid payment card (“the card”) which was administered by PFSL. Mrs G had intended to use the card to pay large amounts in a short period. But when she attempted to do so, she discovered that the card had spending limits which meant that she couldn’t use the card in the manner that she’d intended. Mrs G wasn’t happy about this and felt that the terms and conditions of the card weren’t clear. So, she raised a complaint.

PFSL responded to Mrs G but felt that they’d acted in accordance with the terms of the card and so hadn’t done anything wrong. PFSL returned the balance on the card to Mrs G but acknowledged that they could have returned the money to her more quickly that they did. PFSL apologised for this and offered to pay £350 and 50,000 points to Mrs G as compensation for any upset and inconvenience she might have incurred. Mrs G wasn’t satisfied with PFSL’s response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn’t feel PFSL had acted unfairly by administering the card in line with the terms and conditions. And they felt the offer of compensation that PFSL had made for the service issues Mrs G had experienced already represented a fair resolution to that aspect of Mrs G’s complaint. Mrs G remained dissatisfied, 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.

Having done so, I’d like to begin by confirming that this service isn’t a regulatory body or a Court of Law and doesn’t operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

It isn’t in dispute that the PFSL administered card that Mrs G complains about here has terms and conditions which include monthly spending limits. Mrs G feels that these terms and conditions were unclear, and that she loaded money onto the card in the reasonable belief that she would be able to use the card as she intended. PFSL disagree and say that the terms and conditions of the card were clear, and that therefore the root cause of Mrs G’s dissatisfaction was her own failure to understand the clearly stated limits of the card.

I’ve reviewed the terms and conditions of the card to assess whether I feel the spending

limits are clearly described in those terms. And, having done so, I can only conclude that the spending limits of the card are clearly described in those terms.

I've reached this decision because there is a section of the terms – section 4 – which is titled 'Service Limits, Transfers & Payment'. And the very first clause of that section, includes the following statement:

"Limits relating to the use of Cards can be found in the attached Fees and Limits Schedule."

I'm therefore satisfied that the first clause in the Service Limits, Transfers & Payment section clearly explains that there are limits on the use of the card and clearly signposts the reader to the Fees and Limits Schedule. And having reviewed that Fees and Limits Schedule, I'm further satisfied that the monthly spending limits of the card are clearly described therein.

Because of this, I don't agree with Mrs G that the spending limits of the card weren't clearly explained in the terms and conditions. Rather, I feel that the spending limits were clearly explained, and that it was Mrs G's responsibility to have understood and accounted for these spending limits before deciding to attempt to use the card in a manner which wasn't permitted by the card terms. And it therefore follows that I won't be upholding this aspect of Mrs G's complaint.

In their response to Mrs G's complaint, PFSL acknowledged that they could have returned the balance of the card to Mrs G sooner than they did. And PFSL apologised to Mrs G for this and offered compensation to her of £350 and 50,000 card points.

PFSL's offer here seems fair to me. And given that I feel that Mrs G should ultimately bear the responsibility for what happened here, as I've explained above, I can confirm that the £350 offered by PFSL is, in and of itself, more generous than any amount I may have instructed PFSL to pay, had they not offered to do so already. Consequently, if Mrs G doesn't intend to use the card (or a similar card) even again, so that the points offer is of no use to her, I don't feel that PFSL should reasonably be instructed to increase the monetary portion of their compensation offer.

Finally, Mrs G has asked why she was allowed to load so much money onto the card if she wasn't then allowed to spend it as quickly as she wanted. But again, I can only reiterate that I feel it was for Mrs G to have understood the terms of the card before she loaded her money onto it. I also don't feel that it should be assumed by PFSL that a person loading money onto one of their cards hasn't understood the terms of that card. And it must be recognised that Mrs G could have used the money she loaded onto the card, so long as she abided by the limitations of that card as described in the terms and conditions.

All of which means that, while I will be upholding this complaint in Mrs G's favour, I'll only be doing so on the limited basis to instruct PFSL to make the payment of £350 and 50,000 points to Mrs G that they've already offered to make – should Mrs G formally accept this FD. And I won't be instructing PFSL to take any further or alternative action beyond that. I realise this won't be the outcome Mrs G was wanting. But I hope that she'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

As per their prior offer to Mrs G:

- PFSL must make a payment of £350 to Mrs G.

- PFSL must also credit Mrs G with 50,000 points.

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 Mrs G to accept or reject my decision before 25 December 2023.

Paul Cooper
Ombudsman