

The complaint

Mr E complains that Prepaid Financial Services Limited won't refund disputed transactions carried out from his account.

What happened

Mr E had an account with an agent, I'll call S, acting on behalf of Prepaid Financial Services.

For ease I'll refer to Prepaid Financial Services throughout my decision. On 12 July 2021 Mr E submitted a dispute form to Prepaid Financial Services. In the form he said he was disputing transactions carried out on 29 June 2021 totalling £434.69.

In March 2022 Mr E complained to our service – he said that he'd been prevented from accessing his account, and he'd only been sent £100 from it which wasn't the full balance.

Prepaid Financial Services said they'd informed their agent S to contact Mr E for more details regarding the dispute – as the form he'd completed wasn't sufficient to identify which transactions were disputed. As a result they didn't think they'd acted unfairly.

Mr E brought his complaint to our service – he's been represented throughout the complaint, however for ease I'll refer as though all correspondence has come from Mr E.

One of our Investigators looked into Mr E's complaint. They asked Mr E for more detail about which transactions he was disputing. Mr E explained that he didn't carry out any of the payments made via an emoney platform, I'll call P, or to an online marketplace I'll call E.

Our investigator contacted P to ask about the disputed transactions. P advised that there were accounts registered to two of Mr E's email addresses.

Based on this, our Investigator thought it more likely than not Mr E carried out the transactions. And therefore didn't ask Prepaid Financial Services to do anything further.

Mr E didn't agree, so it's been passed to me to decide.

A different Ombudsman was initially allocated Mr E's complaint, and they asked the Investigator to gather more information from P.

P provided further information which advised that the disputed transactions raised by Mr E weren't carried out via email address linked with Mr E. They also explained that the associated accounts were closed at the time of the payments.

The Ombudsman also gathered more information from Prepaid Financial Services about how the transactions were authenticated and the IP addresses used.

They also asked Mr E for more information about the transactions he was disputing. Specifically when he noticed the disputed transactions, and exactly which transactions he was disputing. However, Mr E didn't respond.

On picking up Mr E's case I reached the same conclusion as our Investigator but for slightly different reasons. I issued my Provisional Decision on 6 February 2024 giving Mr E and Prepaid Financial Services 2 weeks' to reply. Mr E didn't respond, and Prepaid Financial Services advised they accepted my initial thoughts.

As Mr E didn't respond, I've reconsidered my findings below.

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.

In my Provisional decision I said:

Having done so I won't be upholding Mr E's complaint, and I'll explain why below. For Prepaid Financial Solutions to hold Mr E liable for the disputed transactions they need to firstly show that the transactions were authenticated – as per the Payment Services Regulations 2017 – and Mr E authorised them.

From the evidence Prepaid Financial Services have provided, I'm satisfied that the transactions were authenticated. However this isn't enough on its own to say Mr E should be held liable. Mr E needs to have also authorised the disputed transactions. And on balance I'm satisfied he did. I say this because:

- *When sending in his disputes form, Mr E indicated he was disputing transactions carried out on 29 June 2021 for a value of £434.69. No further detail about the transactions was provided. However, since coming to our service Mr E has said at different times all transactions to P weren't authorised and he didn't carry out any payments apart from those directly to family members.*
- *I've reviewed Mr E's statements and the authorisation information supplied by Prepaid Financial Solutions. I can see that Mr E had several refunds from P on his account which I wouldn't expect to see if a fraudster had accessed his details.*
- *On certain occasions there are payments to P, followed by large cash withdrawals. For example on 4 February 2021 there are seven payments to P followed by a cash withdrawal of £250 and a second one for the same value on 5 February 2021.*
- *On several occasions Mr E's balance reaches very low levels, prior to being topped up. This suggests the account is being closely managed. For example on 9 February 2021 Mr E's account was topped up by just over £300, then on 10 February 2021 £240 was withdrawn. And on 11 February 2021 Mr E's balance dropped to £0.24 before a top up of £605.60. If Mr E was aware of the balance of his account, that suggests he was also aware of the account activity – including payments to P. It's surprising therefore that he didn't raise these payments with P until July 2021.*
- *Mr E hasn't confirmed whether he's disputing the ATM transactions or not. However looking at the locations of the ATM withdrawals available to me, they all took place within 10 miles of Mr E's home address.*

For the reasons I've outlined above I'm not currently planning to ask Prepaid Financial Solutions to do anything further.

As Mr E hasn't presented any new evidence for me to consider I see no reason to change

the outcome of this complaint. So, I won't be asking Prepaid Financial Services to do anything further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 March 2024.

Jeff Burch
Ombudsman