

The complaint

Ms T is unhappy with the functionality of her prepaid travel card which was administered by Prepay Technologies Ltd.

What happened

Ms T opened a Prepay travel card to use while on holiday overseas. But while on holiday, several purchases Ms T attempted to make using the travel card were declined. Ms T wasn't happy about this and felt the travel card wasn't fit for purpose. So, she raised a complaint.

Prepay responded to Ms T and explained that they had record of two declined transactions, and that on both instances the reason for the decline had been that Ms T had attempted a contactless payment when a chip and pin payment was required. Because of this, Prepay didn't agree that their travel card hadn't been fit for purpose. Ms T wasn't satisfied with Prepay's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Prepay had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Ms T 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.

Prepay have provided their records for Ms T's travel card which shows that there were two declined transactions, both of which were because Ms T was attempting a contactless payment when a chip and pin payment was required.

Ms T has said that there were other declined transactions beyond the two that Prepay confirm. But a transaction can fail to complete at any point in the transactional chain. And if the reason for the failure was in a part of the transactional chain before Prepay – for instance, if the issue was with the merchant with which Ms T was attempting a transaction – then Prepay wouldn't have any record of these failed transactions. And I wouldn't consider holding Prepay accountable for transactions that failed in a part of the transactional chain outside of their control.

Ultimately, I'm satisfied from the information that Prepay have provided to this service that there were only two instances of transactions declining for which Prepay can fairly be considered accountable. And I'm also satisfied that the reasons for these two declines were as Prepay have stated – that Ms T was attempting a contactless payment when a chip and pin payment was required.

Ms T has explained that the merchant employees who handled those transactions and herself didn't speak a common language, such that they were unable to explain to her why her transactions had declined. But this language barrier also isn't something I'd hold Prepay accountable for.

Ms T has said that if she'd known that merchants wouldn't accept her travel card, she would never have opened the account or used it. But there's no evidence that any of Ms T's attempted transactions were declined because the merchant didn't accept the travel card, but only that a chip and pin payment would be required.

And, if it were the case that Ms T was told before she attempted a transaction that the travel card wouldn't be accepted, then this can only be because the specific merchant had chosen not to accept payments from the card provider – the company whose logo is on the travel card, and which is a well know and widely accepted card provider. And again, it isn't Prepay's fault if a merchant makes a choice to not accept a specific card provider. This is covered within the terms and conditions of the travel card as follows:

“Just like any other payment card. You can use it to pay for goods and services all over the world - wherever [the card provider] is accepted.”

Finally, the requirement to occasionally conduct a chip and pin payment would still have applied if Ms T has used any other card, such as her bank debit card, meaning that it's likely that Ms T would have had the same experience that she had with the travel card.

All of which means that I don't feel that Prepay have acted unfairly towards Ms T as she contends here. As explained, this is because I feel that the two declined transactions that Prepay were responsible for were declined on a reasonable basis – that a chip and pin payment was required. And because I don't feel that Prepay can fairly or reasonably be considered responsible or accountable for any further difficulties that were outside of their control that Ms T may have experienced when using the travel card.

I realise this won't be the outcome Ms T was wanting here. But it follows from all that above that I won't be upholding this complaint or instructing Prepay to take any further or alternative action. I hope that Ms T will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 7 June 2024.

Paul Cooper
Ombudsman