

The complaint

Mr G complains about the service he received from Prepay Technologies Ltd trading as Prepay Solutions ("Monese Bank") regarding a credit that was due into his account. In particular he is unhappy that there were significant delays with this and the information Monese Bank provided about it.

What happened

Mr G was expecting a credit of 300 EUR to his account on 18 December 2023 which had been initiated from a foreign bank on 15 December 2023, but the payment wasn't credited to his account.

Mr G contacted Monese Bank about this through its webchat and phoned on a number of occasions in December 2023 and January 2024. Monese Bank tried to locate the payment on the information Mr G provided but wasn't able to. Monese Bank said the funds hadn't arrived in its system and that some transactions may go through additional checks which increases the processing time. Monese Bank asked Mr G request a payment trace from the sending bank.

Mr G did as instructed and was told that the senders bank have it on record that the money went through the clearing house between 2 and 4pm on 18 December 2023. Mr G passed this information on to Monese Bank and raised a complaint about the missing funds.

Monese Bank didn't uphold Mr G's complaint. It says that its specialists informed Mr G on several occasions that it hadn't received the funds and that it had checked with its processing partner as well and so as the funds never reached its system there is nothing further it could do.

And so still not having received his money Mr G brought his complaint to this service.

Mr G says he is a student and the funds were intended for his general upkeep and expenses. Mr G says he was unable to pay his rent due to the delayed payment and was threatened with eviction. Mr G says he's had to negotiate a payment arrangement with his landlord for the arrears.

Following this Mr G has confirmed that the missing payment reached his account on 10 April 2024.

Monese Bank explained that despite chasing the third-party provider it uses to handle its payments for an answer on Mr G's missing payment - due to a system change and implementation - it only received a response from it on 8 April 2024. It was confirmed by the third-party that the payment Monese Bank had received in December 2023 - which hadn't been identified due to a missing file - was the credit Mr G was expecting and so Monese Bank was able to credit the funds to his account on 10 April 2024. Monese Bank apologised for the error and offered Mr G £150 compensation to bring his complaint to a close.

One of our investigator's looked into Mr G's complaint but weren't able to easily tell from the information provided by Monese Bank whether Mr G was in a position to mitigate the financial implications of the delayed payment in a meaningful way. They thought Mr G had been impacted financially as Mr G was a student on a limited income and they thought the missing payment represented a significant amount of money for him. And so they thought Monese Bank should compensate Mr G £250 for the distress and inconvenience this caused.

Monese Bank disagreed, it says Mr G held enough in his savings pots and euro account to mitigate his circumstances financially until the payment came in and believes the £150 compensation offered was fair and more than adequate to resolve the situation.

So, Mr G's complaint has been progressed for an ombudsman's decision on the matter.

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.

My role is to look at the problems Mr G has experienced and see if Monese Bank has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr G back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

Following Mr G bringing his complaint to this service Mr G has now fortunately received the missing payment and Monese Bank has identified the reason why was due to error on it or its partners behalf in that there was a missing file and so it wasn't able to identify the unallocated funds as being Mr G's missing payment.

So as Mr G has now received the missing funds all I have to decide is whether the £150 compensation offered by Monese Bank is a fair and reasonable amount of compensation for the distress and inconvenience Mr G suffered as a result of its error. And having carefully considered everything, I'm in agreement with our investigator and I don't think it is.

I say this as although I'm not persuaded Mr G wasn't able to financially mitigate the situation until the money arrived in his account as his statements - I think - do show Mr G had enough held in his savings pots to cover the missing funds. But it was still a not insignificant amount of money for Mr G, that had gone missing due Monese Bank not being able to identify it due to a missing file. And the money wasn't missing for just a week or a month, it was missing for almost four months.

And although I agree in order for Monese Bank to investigate where the missing payment was it needed some information from Mr G, I think the service Mr G received from Monese Bank was lacking. I'm not persuaded Monese Bank properly investigated where the missing payment was and I think Mr G had to spend time unnecessarily repeating himself and chasing both Monese Bank and the sending bank for answers.

And so with all this in mind I agree with our investigator that Monese Bank should pay Mr G £250 compensation for the distress and inconvenience Monese Bank's error caused and the service received regarding this.

My final decision

For the reasons I've explained, I uphold Mr G's complaint against Prepay Technologies Ltd and direct it pay Mr G £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 October 2024.

Caroline Davies
Ombudsman