

The complaint

Miss C complains about the service she received from PrePay Technologies Ltd (PrePay).

What happened

Miss C had a prepaid travel money card issued by PrePay. While abroad in January 2024, Miss C found she couldn't top the card up and says that this ruined her holiday.

Miss C contacted PrePay on 8 January 2024 and it told her it could take up to five working days to receive a reply. She called PrePay again on 12 January 2024 but it doesn't have a recording of the call.

PrePay said it called Miss C on 17 and 18 January 2024 and left voicemails. When Miss C returned home she complained to PrePay saying that she had been forced to borrow money and had missed several trips. PrePay initially offered £30 compensation which it increased to £75 and then £100. PrePay also offered to refund any card charges which Miss C incurred when she could not use the travel money card abroad.

Miss C didn't accept PrePay's offer of £100. She said her holiday was ruined as she was stressed out and worried about running out of money. Miss C said she wasted time trying to top up the card. Miss C thought £500 was fair compensation.

Our investigator upheld Miss C's complaint. He thought that given her distress and inconvenience on holiday, PrePay should pay £300 compensation.

Miss C accepted the proposed outcome but PrePay disagreed for several reasons. It thought Miss C had access to other funds so would not have had to borrow money. PrePay said the top up payments were declined in line with its fraud prevention measures. It thought the issues about not calling Miss C were minor and didn't think there was a delay resolving the complaint. Overall, PrePay thought our investigator's recommendation to pay £300 compensation was arbitrary.

Our investigator responded to the comments on the investigation outcome. PrePay came back to say that it didn't accept the level of service it provided was so poor to justify a higher award of compensation. PrePay said Miss C only made one call during her trip abroad.

PrePay said that Miss C's card worked abroad and she successfully completed several transactions using the card. It was only the top up attempts which failed due to security concerns. PrePay said it only upheld Miss C's card because it should have explained to her why the reloads failed.

PrePay said that the reloads Miss C attempted on 5 January 2024 were unsuccessful as they did not receive a response to the one time passcode (OTP) that it sent to her mobile number. PrePay said it could only make calls to the registered mobile number held on the account. And that it was not responsible for the fact that Miss C's mobile phone did not allow international roaming. PrePay pointed out that Miss C could have called it instead.

PrePay was concerned that we seemed to have put the customer's experience ahead of its legal requirements to prevent fraud and comply with its regulatory duty to verify customers.

Our investigator's view did not change. He said that based on the information provided by PrePay, Miss C called on at least six occasions.

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.

I appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern our service allow me to take this approach. But this doesn't mean I have not considered everything the parties have given to us.

When I first considered Miss C's complaint I had some reservations about whether an award of £300 was too high, so I asked the investigator to go back to the parties to see whether they would agree to resolve the complaint for a lesser amount.

PrePay maintains that the card Miss C bought was fully functional so it thought the offer to pay £100 for any delays in responding to the failed reloads was reasonable. PrePay says that it offered to refund any charges Miss C incurred by using her debit card but had not been given any details to consider.

Miss C is unwilling to accept less than the £300 our investigator recommended. She explains that instead of enjoying her holiday, she spent time indoors trying to top the card up and contacting PrePay. Miss C says she emailed PrePay regularly for updates but it never said that if she used her debit card abroad, it would refund any charges for doing so. This led Miss C to borrow money from her relative.

Having reconsidered everything in light of Miss C's comments, I now agree with our investigator that an award of £300 is fair in the circumstances. The reason for this is because although the inconvenience was limited to less than a few weeks, it came when Miss C was away on a trip of a lifetime. She bought the card to help make her time away less stressful but instead, trying and failing to top the card up, together with her frustrated attempts to find out what the problem was, made the holiday more stressful than it would otherwise have been.

We publish information on our website about our approach to compensation for distress and inconvenience. An award of £300 sits at the top end of award we might make where the actions of the business has impacted the consumer over a few days or weeks. In Miss C's case, she had several calls with PrePay about the card after she tried to top it up without success. Miss C says that she frequently called PrePay using her relative's mobile phone. Miss C explains between 1 January 2024 and 17 January 2024, between receiving OTPs and emails, she had 28 forms of correspondence with PrePay. While away, Miss C wasn't made aware that the multiple attempts to reload her card would trigger security checks. Again, I think that this added to her concern and upset, which in turn impacted her enjoyment of the holiday.

Although PrePay says that it would have reimbursed any charges Miss C incurred using an alternative form of payment, I don't have evidence to suggest that it explained this to her at the time. Miss C has told our service that it may have changed things for her if PrePay had explained this to her while still on holiday, and I don't have reason to doubt what she says. Instead, Miss C felt obliged to borrow money from her relative and has given us evidence of

repaying the money she borrowed. Miss C says that by feeling reliant on money from her relative, she didn't do as much as she otherwise would have. Again, I can appreciate this was upsetting and distressing for her.

Overall, I consider that an award of £300 fairly reflects the upset and inconvenience caused to Miss C when she wasn't able to reload her card and struggled to get support over this from PrePay.,

My final decision

My final decision is that I uphold this complaint. In full and final settlement, I require PrePay Technologies Ltd to pay Miss C £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 27 November 2024.

Gemma Bowen
Ombudsman