

The complaint

Mr B complains Currensea Limited ("Currensea")

- blocked his account because he'd complained
- didn't investigate his disputed payments properly
- incorrectly say he misrepresented information about the payments
- failed to pay further £50 compensation that it promised it would
- didn't consider his vulnerabilities
- unfairly closed his account

To put things right, Mr B wants Currensea to pay him the £50 he says was promised to him.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr B disputed two payments - one for £34.35 and the other £30.65 - with Currensea that were made to car rental firms. Mr B says they were fraudulent payments which he hadn't authorised or consented to. Currensea didn't think these were disputed transactions given Mr B had rented cars from these companies and appeared to be disputing further charges that were taken after the rental had ended.

Currensea explained they were chargeback claims. And Mr B would need to give it more information - including proof of his attempts to resolve the matter directly with the merchants. Currensea also needed any other information related to the agreements he'd taken out. Later, Currensea said it had no liability for the disputes as Mr B hadn't provided sufficient evidence to support a chargeback.

Mr B says he valued Currensea's service as it helps him with his international travel. But it's the car hire companies he has issue with as they deploy unscrupulous practices to fleece customers.

Currensea offered to refund both payments as a goodwill gesture and said it would close Mr B's account with immediate effect. Currensea said that it closed Mr B's account in line with its terms and conditions following his misrepresentation of the disputed transactions as fraudulent/unrecognised. And that Mr B was trying to pressurise Currensea into refunding him by saying he would refer his complaint to this service, and the regulator, the Financial Conduct Authority (FCA).

Currensea paid Mr B £50 compensation as a gesture of goodwill. Mr B says he was

promised £50 per transaction – and so Currensea should pay him £50 more. Currensea say it didn't agree to or say this.

Currensea didn't uphold Mr B's complaint. In short Currensea didn't agree it provided poor service. Currensea said it hadn't done anything wrong in declining Mr B's claim for his payments to be refunded, and in closing his account. Currensea added that there's no evidence to support the two disputed payments, they were misrepresentations, and an abuse of its chargeback facility. And Currensea's terms and conditions allow it to end an agreement if a customer provides it with false or inaccurate information at any time.

Mr B referred his complaint to this service. One of our Investigator's looked into it, and they recommended it wasn't upheld. In summary, their key findings were:

- Currensea applied its terms fairly when closing Mr B's account without notice. So it doesn't need to reopen the account
- On balance, Currensea didn't likely offer Mr B a second £50 compensation payment

Mr B didn't agree with what our Investigator said. In short, Mr B added said Currensea are breaching FCA regulations by closing his account. And he and Currensea have a difference of opinion of what is meant by fraud in the context of his complaint.

As there was no agreement, this complaint has been passed to me to decide.

What I've decided – and why

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr B and Currensea have said before reaching my decision.

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 have decided not to uphold this complaint. I'll explain why.

Account closure and disputed payments

Currensea is entitled to close an account just as a customer may close an account with it. But before Currensea closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Currensea and Mr B had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances Currensea can close an account immediately or with less notice.

Currensea has explained to Mr B that it closed his account because he had given it "*false or inaccurate information*"- which is grounds for immediate closure under the terms of the account.

This brings me to the crux of this complaint. That is, has Currensea applied these terms fairly by concluding Mr B had misrepresented his position by claiming the payments were fraudulent as opposed to merchant customer disputes. Mr B has consistently said he'd been defrauded by the merchants as the two payments he disputed were not authorised or consented to by him. I note he's said that it's the *'car hire companies he has issue with as they deploy unscrupulous practices to fleece customers'*.

Currensea didn't agree that these payments were fraud claims as Mr B had hired cars and paid the merchants involved. So Currensea explained to Mr B that his claims should be treated as chargebacks. Chargeback is the process when disputes are resolved between card issuers and merchants under the relevant card scheme. The term 'chargeback' basically refers to the payment liability - in other words, where the debt sits. The chargeback system's intended to resolve settlement disputes.

So most of the chargeback reasons in the card scheme rules relate to problems with settlements. But behind some of those settlement disputes, there may be something that's gone wrong between a cardholder and a merchant. So the chargeback scheme might be able to be used to try to resolve that problem, without needing to resort to more formal resolution, such as court action.

Given the nature of the payments to the car rental merchants and as Mr B did pay them for their services, I'm satisfied Currensea were right to draw this conclusion as it was likely Mr B had given the merchants some form of ongoing authorisation on his card. This is typical in the car rental industry given a merchant may charge a customer for fuel or damage to the vehicle after it's been returned.

However, before the card issuer can start the chargeback process, Mr B would have had to attempt to sort things out with the merchants first. This is often a requirement of the card scheme rules. So I don't think Currensea did anything wrong in asking Mr B to show evidence of his attempts to resolve the matter with the merchants and provide more details about his dealings with them.

I've been provided Currensea's internal notes and transcripts with Mr B. And I can see that Currensea tried many times to get this information from Mr B. But it wasn't provided and despite Currensea's explanation of why it didn't deem his claim as fraud but as a dispute with the merchants best dealt with under the chargeback scheme, Mr B maintained he had been defrauded.

Having carefully considered this, I'm persuaded Currensea acted reasonably in closing Mr B's account in the way it did because it explained the claims were not fraud, but they were likely merchant buyer disputes. Currensea's position here was further supported by Mr B insisting he was the victim of fraud and that he would escalate his complaint if Currensea didn't pay him the compensation he wanted.

In reaching this finding, I have considered and do accept that it's equally likely Mr B didn't understand the difference between a disputed and fraudulent payment and a buyer-seller dispute. And I note Mr B accepts, in hindsight, that there may be a difference in what *fraud* is. But the finding I have made relates to the time Currensea took the actions it did following its reasonable attempts to explain its position on what it thought Mr B's claim was.

That means I'm persuaded Currensea didn't do anything wrong in closing Mr B's account with immediate effect. And so, it doesn't need to reopen the account.

The second £50 compensation

Mr B says Currensea agreed to pay him £50 for each of his disputed payments as goodwill gestures. It's important to note that as I don't think Currensea did anything wrong in dealing with Mr B's refund claims, it doesn't need to pay him any compensation. That means it doesn't really matter if Currensea had agreed to this or not as I won't be making a direction for it to pay this.

Mr B has said that Currensea failed to take his vulnerabilities into consideration. But I haven't seen any evidence based on what Mr B told me that this is what happened. Nor have I seen any evidence Mr B's account was closed because he had complained to Currensea.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 4 February 2025.

Ketan Nagla
Ombudsman