

## **The complaint**

Ms R complains that Prepay Bank Ltd ("Prepay") won't refund her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

## **What happened**

The background to this complaint is well known to both parties and has been laid out in detail by our Investigator in their view, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around February 2024, Ms R received a message, through a well-known messaging app from somebody claiming to be a recruiter, about a job opportunity. She was told the job entailed reviewing hotels online to increase their rating, for which she would earn commission. Believing everything to be genuine, Ms R proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Ms R to pay her own money in order to proceed with the work.

As part of the scam, as well as using accounts she already held, Ms R was instructed by the fraudsters to open multiple other accounts, with payment service providers (including Prepay), as well as with cryptocurrency platforms. The scam saw Ms R moving money between her accounts to facilitate payments, making faster payments to individuals who were selling cryptocurrency through 'peer-to-peer' (P2P) exchange platforms and sending money directly to accounts she had set up with cryptocurrency platforms. Her payments were then converted into cryptocurrency and subsequently transferred into accounts that were controlled by the fraudsters.

On 7 March 2024, Ms R made two faster payments from her Prepay account, totalling nearly £1,500. She realised she'd been scammed when she was unable to withdraw any of the money she had sent and was asked to continue making payments.

Ms R raised the matter with Prepay, but it didn't uphold her complaint. Prepay did try and recover the money Ms R had lost from the beneficiary account providers (the payment service providers to which the payments were sent), but it was only able to recover £19.65.

Unhappy with Prepay's response, Ms R brought her complaint to this service. One of our Investigators looked into things, but didn't think the complaint should be upheld. In summary, he didn't think Prepay missed an opportunity to prevent the scam.

Ms R didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has been passed to me 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Prepay) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

With this in mind, I've considered whether the payments Ms R made were ones Prepay should have had particular concern about. In doing so, I'm mindful that payment service providers, such as Prepay, process a high volume of transfers and transactions each day. And a balance has to be struck as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

I'm also mindful here that Ms R's Prepay account was newly opened. What this means is that Prepay would have had no historical account activity, upon which to compare the transactions that were being made as part of this scam.

I don't doubt the payments represented a lot of money to Ms R. But when compared with other payments that Prepay processes daily, I'm not persuaded they were of values which I think would have appeared so suspicious or unusual to Prepay, such that they ought to have alerted Prepay to the possibility Ms R was being scammed or was at risk of financial harm. In the circumstances of this case, I can see that Prepay did present some generic fraud warnings to Ms R at the time of the payments, I'm satisfied that was a proportionate response and I wouldn't have expected it to have done any more.

All things considered, I don't think Prepay made an error in allowing the payments to be progressed or missed an opportunity to prevent the fraud.

I've thought about whether Prepay did all it could to recover Ms R's money once she had reported the scam to it. Here I can see that Prepay did make attempts to recover the money and was able to recover some of the funds Ms R had sent, albeit only a small portion of it. But given Ms R has said she was sending the money through the P2P process, which was then exchanged into cryptocurrency and moved onto accounts controlled by the fraudsters, I think there was little prospect of Prepay being able to recover any more than it did.

I have a great deal of sympathy with Ms R being the victim of what was clearly a cruel scam, and I understand this must have been a very difficult time for her. But I don't find that Prepay has acted unfairly in processing the payments Ms R made and therefore isn't responsible for reimbursing her.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or

reject my decision before 5 September 2025.

Stephen Wise  
**Ombudsman**