

The complaint

Mr C complains Prepay Technologies Ltd should change its terms and conditions and systems so that customers in the future don't have to go through the same problems he has.

What happened

Mr C has a pre-paid card which he uses when he goes abroad. He'd had the card for just over a year at the time of this complaint. The card is branded with the name of a well-known travel agency and operated by Prepay Technologies Ltd.

Mr C says he topped up his card in late 2024 just before he and his wife went away on an overseas trip. He says they made sure they'd have enough money to pay for accommodation, meals and trips when deciding how much to put on the card.

Mr C says he used the card to pay for onboard expenditure on a cruise ship but that the credit held to cover their bills wasn't released straightaway. He says the credit wasn't, in fact, released for over a month. And that he had to top up his card from funds he had in the UK in order to be able to pay for the rest of his expenditure on the holiday. He spent time trying to sort out the problems this caused not only whilst he was away, but also after he got back.

Mr C ultimately complained to Prepay Technologies saying that the practice of withholding credit was doubtful and deceitful.

Prepay Technologies looked into Mr C's complaint and said that the pending payment hadn't cancelled automatically because of the way the merchant had processed the transaction. And it explained what it needed to expire the pending transaction sooner.

Mr C was unhappy with Prepay Technologies' response and complained to us. He said he hadn't lost out financially but wanted Prepay Technologies and, if needs be, credit card companies and merchants to change their terms and conditions and systems so that credit held gets returned as soon as it's no longer needed. In other words, changes that would have meant credit withheld in his case would have been returned to him as soon as he'd paid his bill on disembarking rather than over a month later. He queried who held the funds whilst they weren't available and if someone was making lots of money earning interest.

One of our investigators looked into Mr C's complaint and said that Prepay Technologies hadn't made an error so they couldn't recommend his complaint be upheld. Mr C wasn't happy with our investigator's recommendation saying that he wasn't asking whether or not Prepay Technologies had made an error, he was asking our service to say that the practice of withholding credit was doubtful and deceitful and to recommend changes to terms and conditions and systems of those involved. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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've spoken to Mr C and it's clear that he'd like changes to be made so that other people don't have the same problems he had. I can understand why. When I spoke to him, I explained our role is to look at individual complaints and to put things right for the individual complaining if we think a business has acted unfairly or unreasonably. So, whilst we might share insight with others when we see a particular issue coming up again and again, we're not in the business of telling firms to change their terms and conditions or systems in order to resolve a particular complaint. In this case, Mr C has made it clear that he's not interested in compensation – fortunately, he had funds in the UK that he was able to move onto his card so he was able to minimise the impact in any event – or if Prepay Technologies made an error or not. I've explained that this means we're probably not the right people to help him. Nevertheless, we agreed that I'd look into his complaint and would issue a decision.

I can see that Prepay Technologies pre-authorised approximately \$1,800's worth of payments and placed them into a pending state so that this money was ready for a merchant to collect in the event that they went ahead and claimed payment. The idea behind pre-authorised payments is that merchants can be confident they'll get paid if they supply a cardholder with goods or services. In this case, I can see that Prepay Technologies gave the merchant 30 days to claim payment on the basis that it would expire the pending payments if that didn't happen. I can see that the merchant claimed payment and that the pending transactions didn't automatically cancel as they should have done. In this case, however, I'm satisfied that this is because of the way the merchant processed the payment they claimed rather than anything that Prepay Technologies did. I can see that Prepay Technologies explained what it needed from Mr C in order to expire the pending payment earlier and accept that Mr C wasn't able to get it because the merchant told him that its records didn't capture the information in question. So, whilst I can understand why Mr C has suggested merchants should be required to keep better records, amongst other things, I agree with our investigator that Prepay Technologies didn't make an error or act unfairly or unreasonably. I also agree that I can't uphold this complaint even though Mr C makes a lot of sensible points about wider issues that he feels should be addressed.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 13 May 2025.

Nicolas Atkinson
Ombudsman