

The complaint

Mr S complains about the service he received from Prepay Technologies Ltd ("Prepay") when using his money card issued by it abroad. In particular, he is unhappy he couldn't reload his card over the phone, withdraw cash from an ATM and that the transactions he made were debited from his Euro rather than his USD wallet.

What happened

Mr S was traveling abroad using a money card issued by Prepay to transact. Mr S called Prepay on 26 March 2024 and attempted to reload his money card on three occasions. The first transaction for £1,000 was declined as it was over the limit of £750. Mr S attempted to reload £750 on two further occasions, but these were also declined. Mr S was advised to use either the website or mobile app to reload his card and that the transaction would be applied instantly but wasn't told what the issue was.

Mr S took this advice and successfully reloaded his card via the mobile app on the same day to the value of \$1115.19 USD.

Mr S discovered his transactions were being debited from his Euro purse and not his USD purse and contacted Prepay on 30 March 2024 via email enquiring why and asking that Prepay ensure his USD be made his primary currency and for the transactions to be moved to that currency.

Prepay responded saying it was unable to resolve this through email and asked Mr S contact its service centre using one of the toll-free numbers. Mr S did as requested, but the numbers listed on the website were no longer active or didn't work. Mr S emailed Prepay again providing a number to call him on and times he was available. Prepay confirmed it would call in 24 to 48 hours but failed to do so.

Mr S attempted to withdrawal money from an ATM cash machine three times on 6 April but was declined with the receipt stating that it was due to his bank/card provider. Once again Mr S emailed Prepay about this as the toll-free number didn't work.

Mr S complained about all of this. Prepay attempted to get in touch with Mr S on 8 and 9 April but was unsuccessful and so left a voicemail asking him to get in touch.

Prepay didn't agree there had been a service failing on its behalf as Mr S was unable to reload his money card over the phone due to not meeting the security parameters and its representative provided him with alternative ways of doing this which Mr S was then able to do successfully.

Furthermore, it said the local currency he was transacting in was not supported on his money card so the transaction was debited from the currency purses available in the order of priority as outlined in its terms and conditions in the section Foreign exchange transactions. Regarding the failed ATM transactions Prepay says the first transaction was declined and reversed by the ATM owner, and the other two were because the transaction details

provided to Prepay by the ATM owner did not match its security criteria so were unable to authorise the transactions and so this was not down to any fault of its own.

Mr S was dissatisfied with this and brought his complaint to this service. He wants Prepay to reimburse the transaction charges incurred and restore his Euro balance in his purse.

Prepay says all the transactions Mr S made were debited from the Euro purse correctly and that the card worked as designed and that there is no fault with the functionality of the card. Prepay says the card has never been blocked and that its representative tried their utmost to explain why the ATM withdrawals had been declined and how transactions are made in currencies that are not available on the card and so are unable to consider reimbursement of the fees incurred. But because Mr S had experienced issues in contacting its card service team as a gesture of goodwill it offered Mr S a payment of £75.

One of our investigators looked into Mr S's concerns but didn't think Prepay had treated Mr S unfairly or had made an error paying transactions from his Euro purse as this was in-line with the terms and conditions. They recognised that there is a discrepancy with the currency order in the terms and conditions and on Prepays website, but didn't think this would make a difference or prevented Mr S from incurring charges as USD was the next available currency after Euro.

Although some ATM transactions were declined, they were satisfied this wasn't due to an error on Prepays end, but rather because the transactions didn't pass Prepays security checks and couldn't be authorised and this being the case couldn't find Prepay at fault.

They acknowledged Mr S had difficulty contacting the toll-free number but thought that the £75 offered by Prepay was a fair way to settle this complaint and so didn't think Prepay needed to do anything more.

Mr S remained unhappy because his Euro purse was depleted, and he'd relied on the information on Prepays website and its advice regarding the order of priority by which currency transactions would be paid from. Mr S says he is now left with no Euros in his account and an excess of USD and wants this rectified and his Euros reinstated to their pre-holiday level taking money from the USD account. Mr S has asked for an ombudsman's decision.

Furthermore, Mr S has asked that Prepay pay the £75 gesture of goodwill by bank transfer to his account rather than his money card. Prepay has agreed to do this providing Mr S confirms his bank sort code and account number.

I issued my provisional decision on 14 March 2025. In my provisional decision, I explained why I was proposing to uphold Mr S's complaint. I invited both parties to let me have any further submissions before I reached a final decision and while Mr S has accepted my decision Prepay have not responded or provided any new information.

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.

In my provisional decision I said that:

"I hope that Mr S won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr

S's complaint is regarding the service he's received from Prepay when using his money card abroad. In particular:

- transactions were taken from his Euro rather than his USD currency purse; and*
- he was unable to make cash withdrawals from an ATM or reload money onto his account over the phone with no good reason.*

It might help if I explain my role is to look at problems that Mr S has experienced and see if Prepay has made a mistake or done something wrong. If it has, we seek to put - if possible - him back in the position he would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

And having considered everything I'm currently intending to uphold Mr S's complaint for the following reasons.

Transactions taken from the Euro instead of the USD currency purse

Prepay say the transactions were debited from the currency purses available in the order of priority as outlined in its terms and conditions in the section titled Foreign exchange transactions.

The priority order outlined in this section of the terms and conditions is:

"Pound Sterling, Euro, US Dollar, Australian Dollar, Canadian Dollar..."

But the FAQs on Prepays website give the following priority order:

"British pound sterling, US dollars, Euros, Australian dollars, New Zealand dollars..."

I think Mr S should be able to rely on what is said on Prepays website and if it doesn't match what is in the terms and conditions that is an error on Prepays part. I appreciate that either of the currency purses Mr S held – Euro and USD – would've incurred charges when Mr S transacted in another foreign currency and so any financial loss due to using a different currency purse is likely minor.

But as Mr S has explained by utilising his Euros instead of the USD he was expecting, he has been left with USD which he didn't intend and his Euro purse deleted. I can see when reloading his card on 27 March the transaction was in USD and so this supports Mr S's contention, that he was intending for transactions to be taken from his USD purse as opposed to the Euro one.

And so on this basis I think that Prepay should do what Mr S has asked and reinstate his Euros to their pre-holiday level at its cost taking the money available from Mr S's USD account.

Failed cash withdrawals from ATM and inability to reload money card over the phone

Regarding Mr S's failed attempts at withdrawing cash from an ATM on 6 April as evidenced by Mr S's receipts (I note Prepay have incorrectly stated this was on 4 April) Prepay say the first transaction was declined and reversed by the ATM owner, and other two were because the transaction details provided to Prepay by the ATM owner did not match its security criteria so it was unable to authorise the transactions and so this was not down to any fault of its own.

I don't think it unusual for business to decline transactions for security reasons and I would expect them to have systems in place to detect and circumvent any potential fraudulent activity. But I'd also expect businesses to offer support and be available to tell customers what they needed to do to access their money.

And in this case I think Prepay has failed to offer support of a reasonable level - if at all. Mr S had already discovered the contact number provided for him and others he'd tried didn't work or were no longer active and so wasn't able to seek help this way and his emails also failed to get any sort of substantive response from what I have seen.

This put Mr S in a situation where he was unable to access his money while abroad through no fault of his own and had to borrow money from friends and had no way of mitigating the situation himself. And when Prepay did eventually get in touch it put the issue down to security but hasn't elaborated on what the security issue is. And as Mr S had been able to withdraw money on other occasions using the same card, pin, machine and for higher amounts I'm struggling to see what the security issue is. And without further evidence to the contrary, I'm inclined to think Prepay haven't investigated the matter properly and don't know what the issue was either.

Indeed, Prepay gave the same excuse when Mr S was unable to reload money onto his account over the phone "due to not meeting the security parameters" yet he was able to conduct the same transaction through its app. At least on this occasion he was provided him with alternative ways of doing this and Mr S was able reload money onto his card successfully through the app.

So I currently don't think the service provided by Prepay has been good enough and think that Prepay should (on top of reinstating Mr S's Euros to their pre-holiday level) compensate Mr S for the inconvenience and distress this caused. I note that Mr S hasn't suffered any direct financial loss due to the service issues experienced and that Prepay have offered Mr S £75 as a gesture of goodwill. But given the minimal support given I think this should be doubled to £150."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

Putting things right

To put thing right Prepay should:

- reinstate Mr S's Euros to their pre-holiday level taking the money available from Mr S's USD account and using the conversion rate in place at the time of transfer 26 March 2024; and
- compensate Mr S £150 in total for the distress and inconvenience caused – Mr S should provide Prepay with his sort code and account number to facilitate this.

My final decision

For the reasons I've explained, I uphold Mr S's complaint against Prepay Technologies Ltd and direct it settle the complaint and pay the fair compensation as outlined above.

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

reject my decision before 30 April 2025.

Caroline Davies
Ombudsman