

The complaint

A company that I will refer to as M, complains that Prepay Technologies Ltd closed its account and didn't assist M with switching to another account.

Mr A, a director of M, brings the complaint on behalf of M.

Prepay Technologies Ltd provided M's account on behalf of Mettle. For ease, I'll only refer to Prepay as it is ultimately responsible for the complaint.

What happened

Prepay closed M's business account due to it deciding to discontinue this type of product and end its relationship with its e-money provider. Following this decision Prepay decided to offer its customer its own e-money account.

Prepay notified all its customers who were impacted by their decision via email and in-app messages. Prepay told customers that they could switch to a new account and explained what they needed to do as part of the switch process. Prepay told Mr A, that if he wanted to switch to one of its new accounts, he'd need to manually set up M's direct debits, scheduled payments and provide M's new bank account details to its contacts.

Prepay said if a customer didn't switch accounts by their closure date, or the customer was ineligible to switch, then their e-money account would be closed, and they'd need to look to open an alternative business banking account with another provider.

Prepay emailed Mr A on four occasions, between 1 October and 13 February 2025, providing M with around four months' notice that it was closing M's account. Prepay said M was eligible to switch accounts but didn't complete the switch process. So, on 20 February 2025, Prepay closed M's account.

Mr A says although Prepay gave M plenty of notice that it intended to close its account, he is unhappy that he was forced to manually set up all of M's direct debits, standing orders and payments coming in. Mr A says to rearrange all M's banking, had to contact lots of people including governing bodies which M deals with as part of its day-to-day business. Mr A says this took him around sixty hours to complete.

Mr A complained to Prepay. He said Prepay should have provided a service to help him switch accounts. He said he wasted valuable time setting up a new account and rearranging payments when he should have been running his business. Mr A said if Prepay were unwilling to provide any help with switching then he should be compensated for having to do it himself.

In response, Prepay apologised for the inconvenience its decision had caused M. It explained that it couldn't offer an automatic switching service and couldn't be responsible for contacting M's payment providers. Prepay said it had given Mr A information about what he needed to do if he wanted to remain with them and open a new account.

Mr A remained unhappy and brought M's complaint to our service. He told us Prepay didn't explain to him when setting up M's account that this could change at any time and that he would be liable for paying in time to make a switch. So, he is holding Prepay liable for his hourly time in doing this. Mr A said he runs a business, and any time spent doing things being forced upon him through no fault of his own should be chargeable, which he calculates to be at least sixty hours of manpower and paperwork.

One of our investigator's looked into M's complaint. They said Prepay were entitled to make a commercial decision to discontinue its relationship with its e-money provide and whilst this caused Mr A inconvenience, Prepay had tried to make the process as easy as possible. So, they didn't uphold M's complaint.

Mr A disagreed. He said his complaint isn't that Prepay chose to change the way they were banking or that he had to go through a switch process. He's upset that Prepay didn't do anything to help him with the switch whatsoever. And he had to spend valuable time working for nothing due to no fault of his own, sorting out a new account for M.

As no agreement could be reached the matter has come to me to decide.

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 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 focused 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. But I have read all Mr A's submissions.

I note that Prepay's reasons for closing M's account was because it had taken the decision to end its relationship with its e-money provider and discontinue its e-money accounts. Prepay's decision to do this was a commercial decision, which it is entitled to make. This service wouldn't generally interfere with a firm's commercial decisions making, as long as it treated M fairly in relation to that decision. In this case, I can see that all of Prepay's customers who held that same account, would have received the same communication about their account being closed. And so, I'm satisfied that M was treated the same way as other customers with that same account.

I've taken on board the impact Prepay's decision had on Mr A, as director of M. But it's just that Prepay decided to discontinue the account M had and change its banking provider. As I've already said this is a commercial decision it's entitled to take. I can see that Prepay explained clearly what Mr A had to do to move M's financial liabilities and ensure payments could be made into M's new account – if Mr A chose to carry on using Prepay for M's banking facilities. I don't find it unreasonable that Mr A would be responsible for arranging this. Prepay has explained it simply doesn't have a business model that would have enabled it to have done this on M's behalf. And I accept that. So, it wouldn't be appropriate for me to ask Prepay to pay Mr A compensation for the time he had to spend rearranging M's inbound and outbound payments.

I should explain that we don't usually award compensation on the basis of a complainant's usual business or professional hourly rate. That's not because we think a complainant's time has no value. But basing compensation on a person's business or professional hourly rate could suggest one-person free time is worth more than another person's free time. And it might not reflect the true impact of the error on the complainant. Mr A can charge his clients for his professional or business expertise at an hourly rate. But Mr A wasn't providing a business or professional service to Prepay. And he hasn't provided any evidence that contacting his clients and Prepay meant he was unable to carry out his usual work.

Mr A has said Prepay didn't tell him when he opened the account that M's account could change at any time. I don't have a copy of the terms and conditions, that Mr A agreed to when he opened the account. So, it makes it difficult for me to know what Mr A agreed to back when he opened the account. Terms and conditions are changed and updated over time. And I think it will be most likely that Mr A would have been informed of these updates alongside information on what he'd need to do if he didn't accept the new terms, which would usually result in the account being closed. Therefore, I don't find that Prepay needs to prove that it acted in line with the terms initially entered into.

Overall, I can't fairly say that Prepay has done anything wrong in closing Ms account and not providing an automatic switching service alongside the account closure. I appreciate this decision will come as a disappointment to Mr A. I can understand why he'd be unhappy at having to spend time rearranging M's payments. But for the reasons I've set out above, I can't fairly find that Prepay has acted unfairly or unreasonably.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 3 September 2025.

Sharon Kerrison
Ombudsman