

The complaint

Ms A complains Prepay Technologies Ltd (“PTL”), trading as Monese, won’t refund transactions she says were made by her ex-husband without her consent – and through being the victim of abuse. Ms A is also unhappy that PTL closed her account.

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.

Ms A says she was the victim of domestic and economic abuse committed against her by her ex-husband which manifested in their relationship around 2019. And because he had control of her accounts, the ex-husband was able to orchestrate around 117 transactions between September 2019 and November 2022 that she didn’t agree to.

In November 2022, PTL restricted Ms A’s account whilst it carried out a review. Ms A says she left the relationship completely in December 2022. In January 2023, PTL asked Ms A about her account activity and for information about her source of funds. Ms A responded that her account was used mainly for child benefit income, savings and paying off her husband’s credit cards – and small household expenses. Ms A added that payments from her ex-husband were received as extra pocket money too.

Around February 2023, Ms A says she told PTL about the abuse she had been subject to from her ex-husband. In March 2023, PTL decided to close Ms A’s account. Ms A’s ex-husband was subject to a non-molestation court order in April 2023 which amongst other things, and broadly, created an injunction against contact between the parties.

PTL didn’t refund Ms A’s disputed transactions. Ms A complained. PTL didn’t uphold Ms A’s complaint. In summary, the key points it made were:

- PTL carried out thorough reassessments of the activity on Ms A’s account
- Whilst PTL’s compliance department was investigating Ms A’s account, she brought to its attention that she was a victim of financial abuse. Ms A has failed to provide more information about this as requested
- PTL has restricted and then closed Ms A’s account in line with the terms and conditions

Ms A referred her complaint to this service. Amongst other things, Ms A explained that her two external banks made refunds on those accounts when she explained what had happened. One of our Investigator’s looked into Ms A’s complaint, and in doing so asked both parties for more information and later attempted to mediate a resolution. Our Investigator then recommended Ms A’s complaint wasn’t upheld. In summary, their key findings were:

- The genuine card details and fingerprint authentication were used to make payments
- PTL provided evidence that Ms A's account was mainly accessed and used through fingerprint recognition. Ms A has explained that her ex-husband had added his fingerprint to affect transactions without her consent. And when she questioned him, this led to more abuse
- Though Ms A says she didn't know her ex-husband added his fingerprints onto her phone, it's her responsibility to keep access to her banking apps secure, which Ms A didn't do
- During September 2019 and November 2022 when Ms A disputes payments, there were legitimate transactions that Ms A conducted on her account. It's reasonable to assume Ms A would've seen some of the disputed transactions during this period. But there isn't any record of Ms A making PTL aware before she raised the issue in February 2023. Had Ms A raised this with PTL, it could've helped her
- As Ms A's account was mainly accessed through fingerprint recognition, there would've been no way for PTL to know a third-party was conducting transactions without Ms A's knowledge. And because of how long a period these payments occurred over, they would've formed part of Ms A's normal spending habits – and wouldn't have raised any alarms with PTL. So PTL couldn't have done anything to prevent them taking place

Ms A didn't agree with what our Investigator said. In summary, Ms A said:

- PTL closed her account without notice
- Ms A contacted PTL as soon as she got the opportunity to do so about what had happened. Ms A should be refunded at least 11 months of payments she disputed leading to when she reported the matter in line with PTL's policy
- There were multiple transactions that didn't need fingerprint or app verification, including payments sent abroad and cash withdrawals.
- Ms A was trying to save her marriage and kids. And tried things like changing her codes or ordering replacement cards but the consequences were dire for her – so she was scared.

Our Investigator said that PTL can choose who it has or keeps as a customer – and it had decided fairly to close her account. As there was no agreement, this complaint has been passed to me to decide.

Relevant considerations

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Of particular importance to my decision about what is fair and reasonable in the circumstances of this complaint, are the Payment Services Regulations 2017 (the PSR 2017) which apply to transactions like the ones Ms A disputes. Among other things the PSR 2017 include the following:

Regulation 67 of the PSR 2017 explains:

67.— (1) A payment transaction is to be regarded as having been authorised by the payer for the purposes of this Part only if the payer has given its consent to —

(a) the execution of the payment transaction; or

(b) the execution of a series of payment transactions of which that payment transaction forms part.

Whether a payment transaction has been authorised or not is important because account holders will usually be liable for payments they've authorised and, generally speaking, banks and payment service providers will be liable for unauthorised payments.

But that is not the end of the story:

- Regulated firms like PTL are also required to conduct their 'business with due skill, care and diligence' (FCA Principle for Businesses 2) and to 'pay due regard to the interests of its customers' (Principle 6)

And as a matter of good industry practice at the time, I consider firms should also have taken proactive steps to:

- Identify and assist vulnerable consumers and consumers in vulnerable circumstances, including those at risk of financial exploitation (something recognised by the FCA in recent years and by the British Bankers Association's February 2016 report 'improving outcomes for customers in vulnerable circumstances');
- Look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam (something also recognised by the British Standards Institute's October 2017 'Protecting Customers from Financial harm as a result of fraud or financial abuse – Code of Practice', which a number of banks and trade associations were involved in the development of)

This means there are circumstances, irrespective of the payment channel used, where a regulated business should, in my opinion, fairly and reasonably take additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help customers from the possibility of financial harm.

This is particularly so in light of the environment created by the increase in sophisticated fraud and scams in recent years – which regulated financial businesses are generally more familiar with than the average customer.

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 Ms A and PTL 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 Ms A's complaint. I know this will disappoint Ms A. I'd like to assure her that I haven't undervalued in any way the difficult and challenging circumstances she has endured, and the courage it's taken for her to explain to this service what's happened. So, I'll explain why.

Disputed transactions and authorisation

I'm satisfied from PTL's technical evidence that Ms A's genuine security credentials were used to make the disputed transactions. So, that means I'm satisfied the transactions were authenticated in line with what the PSR's say. But the PSR's say that is not, on its own, enough to enable PTL to say the transactions were authorised.

So, I also need to think about whether the evidence suggests it's more likely than not that Ms A consented to the payments being made. Ms A says she didn't know that her ex-husband was using his fingerprints to access her online banking. She has also said that there were other transactions where payments were sent abroad or there were ATM withdrawals she didn't know about.

When PTL was carrying out its review, Ms A informed it that she didn't share her banking security credentials with anyone nor write them down. Because of this, I question how Ms A's ex-husband was able to carry out the transactions without her knowledge. Ms A has also identified the disputed transactions, and I note they are interspersed between ones that she accepts as having made. Given the period the transactions cover, I find it difficult to understand why Ms A didn't pick up on these transactions before and raise them as disputes with PTL sooner. I note too that Ms A had an opportunity to explain this to PTL when it blocked her account as part of a review it carried out due to its wider obligations in 2022, but she didn't say anything.

Having said what I have above, I can't undervalue the nature of the abuse she says she endured – and how much this may, as she says, led to her behaviour particularly in not disclosing anything to PTL. Ms A has also said that she was trying to keep her family together, was scared, and she wanted to save her marriage.

Having carefully considered these points, I think it's likely Ms A gave her ex-husband access to her accounts and security credentials due to the nature of abuse, and her endeavour to keep her marriage intact. That does however mean Ms A breached the terms of her account in keeping such details safe. It also means that Ms A expressly gave those details or failed with intent. So given what the PSR's say about authorisation, I'm satisfied Ms A consented to the payments she disputes.

I also note that substantive funds were paid into and out to Ms A's account to her ex-husband. So even if I thought PTL should refund the transactions, there would be a very complex question of what loss Ms A has suffered. More so as these would likely have some connection with the refunds she has had from her two banks.

Should PTL have done more to protect Ms A from financial harm?

I've had a look at the account statement information PTL has provided me of the disputed transactions. Given the period over which these disputed transactions were made, and how they were part of the usual spend behaviour on the account, I'm satisfied they weren't unusual enough to have alerted PTL something wasn't right.

I would add too that PTL did carry out a review in November 2022 and asked Ms A about her source of funds and her ex-husband. As she didn't say anything to them about the abusive nature of their relationship at that time, I can't see that any intervention from PTL would have otherwise made a difference in preventing the financial harm Ms A says she has suffered. In making this finding, I accept Ms A may not have said anything because of fear of further abusive behaviour and/or trying to keep the family together as she has said. But this still meant any action from PTL wouldn't have made a difference in preventing loss and harm to Ms A.

Account closure

Financial businesses in the UK, like PTL, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means PTL needs to restrict, or in some cases go as far as closing, customers' accounts.

PTL is entitled to close an account just as a customer may close an account with it. But before PTL 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 PTL and Ms A had to comply with, say that it could close the account by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

PTL closed Ms A's account with immediate effect. PTL has explained and provided me with information as to why it acted in this way. Having carefully considered this, I'm satisfied PTL acted fairly and in line with its terms in doing so. I know Ms A would like a more detailed explanation, but PTL isn't obligated to do so.

As I think PTL closed Ms A's account fairly, I see no basis in which to direct it to pay her compensation for any distress and inconvenience she suffered.

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 Ms A to accept or reject my decision before 24 July 2025.

Ketan Nagla

Ombudsman