

The complaint

Mr D complains about the service received from Prepay Technologies Ltd (“Prepay”) when using a money card issued by it abroad. In particular, Mr D is unhappy he was unable to withdrawal cash or use his card on numerous occasions and the support provided from Prepay regarding this.

What happened

Mr D was traveling abroad and purchased a money card to transact issued by Prepay on 14 August 2024 and loaded \$3300CAD onto it.

On 18 August Mr D attempted three ATM withdrawals which were all declined. Prepay says the reason code for the decline detailed in the transaction history data was that this was due to the incorrect PIN being used. But Mr D says he used the PIN he was issued with and checked on numerous occasions this was correct and that he used the same PIN throughout his trip with it working after the initial attempted ATM withdrawals.

On 19 and 22 August Mr D successfully used the card to make purchases from different merchants on four occasions.

On 26 and 28 August Mr D attempted a number of ATM withdrawals, but all were declined. Prepay says this was due to them exceeding the maximum withdrawal limit of £500 in 24 hours as outlined in the terms and conditions.

On 29 August Mr D called the services team due to the issues he was having and explained that he'd used a number of ATM machine's but was unable to withdrawal money from the machine's even when accepting charges that he wasn't expecting to pay as he understood cash withdrawals were meant to be free. Mr D was told the reason for the unsuccessful cash withdrawals was due to him exceeding the maximum daily limit. Mr D explained that even if he tries to withdraw a lesser amount it still doesn't work. Mr D was advised to try again with a smaller amount at an ATM machine with a certain logo.

Later the same day Mr D attempted to withdraw money again - below the limit - but was again unsuccessful. Prepay say this was due to the ATM not being able to read the Chip data on the card and so the transaction did not meet security checks and was declined.

On 30 August Mr D again called the services team and after unsuccessfully trying to connect Mr D to its escalation team, the matter was passed to its back office where actions were taken on the card to enable it for 48 hours to bypass any security features to see if this would enable Mr D to make withdrawals. Mr D was advised to wait 30 minutes to an hour before trying to use the card again, but they failed to advise him that this was only in place for 48 hours. Prepay sent the following email:

“...We feel sorry for the inconvenience, and we would like to correct the information about the time frame of your card transaction declined that you will have up to 48 hours to use this card for the ATM transaction...or you can use another mode of payment.”

On 2 September Mr D attempted to make further ATM withdrawals but again they were unsuccessful. Mr D called the services team and was told it was a security issue. Again, the security features on the card were removed and Mr D was advised to try withdrawing cash. Mr D did as was advised but once again was unsuccessful.

Mr D called back and an agent made the assumption that Mr D's card must be faulty and arranged for emergency cash totalling \$1,200CAD to be collected via the nearest location point it had and advised that the card could still be used to make purchases via the contactless option or using the card online.

Fortunately, Mr D was able to collect the cash but says even when using the contactless facility the card still wouldn't work and raised a complaint to Prepay about all the issues he'd had.

Prepay didn't uphold Mr D's complaint and issued a summary resolution on 9 September saying it considered the issue now resolved.

Following this on return to the UK not being able to use the CAD dollars remaining on the card, Mr D arranged to have the remaining \$1,827.75 CAD unloaded and exchanged to GBP on 11 September.

Being dissatisfied with Prepay's response to his complaint Mr D brought his complaint to this service. Mr D wants to be reimbursed for the cost of the telephone calls made on his and his sons mobile phones to resolve the issue totalling £435.92, for taxi costs for traveling to ATM's amounting to around £70, £130 in fees and charges incurred to repay people they'd had to borrow money off and the losses incurred in having to exchange CAD back to GBP on return to the UK.

Prepay disputes it is responsible for the costs incurred for phone calls. It says customers are made aware by recorded message prior to connection that the cost of calls may still incur a charge levied by the network provider and that charges of this nature are beyond its control and so its unable to consider reimbursement of these costs. Prepay says the card was fully active and that the difficulties were outside of its direct control and not due to any fault with the functionality of the product and that it was satisfied it took sufficient steps to assist Mr D during his trip.

One of our investigators looked into Mr D's concerns but didn't think Prepay had made an error or treated Mr D unfairly as the initial transactions were declined due to Mr D using the wrong PIN and due to Mr D exceeding the daily withdrawal limit and they didn't think they could say the later issues were due to an error on Prepay's behalf as it isn't responsible for the functionality of the ATM machine.

They recognised Mr D had been put to some inconvenience by not informing Mr D he had 48 hours to make a withdrawal resulting in Mr D having to make a further call about the issue but didn't think the impact this caused warranted compensation.

Mr D disagreed. He believes the issue was with a faulty card as he used the same PIN number throughout the trip with some transactions going through and others not and it didn't matter what amount he tried to withdraw from an ATM or when using the contactless facility the card would not work.

Mr D says he had to spend time and money on calling the business on multiple occasions for support and that it failed inform him of the 48-hour window he had to make a withdrawal resulting in further inconvenience and wants to be compensated for this. Mr D has asked for an ombudsman's decision on the matter.

A provisional decision was issued on 7 May 2025 upholding Mr D's complaint. Both Prepay and Mr D have responded with further information and evidence and after consideration of this – although overall the outcome remains the same – I decided to issue a further provisional decision.

I issued my second provisional decision on 10 June 2025. In my provisional decision, I explained why I was still proposing to uphold Mr D's complaint. I invited both parties to let me have any further submissions before I reached a final decision. Both Prepay and Mr D have responded and continue to dispute the amount of compensation to be paid but neither party have added any material new information that I think changes the recommendations overall that I came to.

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:

“Mr D's complaint is regarding the service he's received from Prepay when using his money card abroad. In particular, Mr D says he was unable to make cash withdrawals from ATM's or make purchases using contactless and spent time and money to no avail trying to have the issue resolved.

It might help if I explain my role is to look at problems that Mr D has experienced and see if Prepay has made a mistake or done something wrong. If it has, we seek to put - if possible – Mr D 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 D's complaint for the following reasons.

Prepay say the ATM withdrawals were declined for three different reasons:

- 1. The wrong PIN being used;*
- 2. Mr D exceeding the withdrawal limit; and*
- 3. The ATM not being able to read the Chip data on the card and so the transaction did not meet security checks and were declined.*

I appreciate Mr D is adamant that he used the same PIN throughout his trip but I can't ignore the fact that Prepay's systems show transactions were declined due to an incorrect PIN being entered and Mr D attempting to withdraw money above the daily limit. I note that Mr D's son was supporting him with the use of his card and spoke to Prepay on his behalf throughout the trip and so it might well be a case of mis-communication between father and son regarding the PIN that had been used and the amounts Mr D had tried to withdraw at different points. And as Mr D was able to use his card at merchants I think it is likely - initially at least - the issues Mr D had with using his card and withdrawing cash were not down to an error on Prepay's behalf or a faulty card.

But from 29 August after speaking to Prepay and being made aware of the withdrawal limit Mr D was still unable to withdrawal cash no matter what the amount. Prepay's records show two ATM withdrawals within the cash limit were declined due to the ATM not being able to

read the chip data and so the transactions did not match its security criteria and say it could be due to a faulty ATM.

But I think it is likely this wasn't due to do with a faulty ATM machine and more likely to do with something happening at Prepay's end. I say this as Mr D had tried the card at multiple ATM's and even when Prepay attempted to disable security features on two occasions (30 August and 2 September) Mr D was still unable to withdraw cash.

I think based on the evidence I've seen it's possible the issue preventing Mr D from withdrawing cash from ATM's was to do with security processes following Mr D's attempt to make multiple withdrawals exceeding the limit on 26 August. But whatever the case may be I think from 29 August onwards Mr D wasn't able to his card to withdraw cash from an ATM due to something on Prepay's side.

And while I accept Prepay attempted to help Mr D and in doing so it needed to be given a chance to resolve the issue, and that it may need to do this through trial and error of different things to identify exactly what the problem is - I think there has been a service failing on Prepay's part in the execution of this.

I say this as despite Mr D explaining to Prepay's representative he'd already attempted to withdraw lesser amounts from different ATM's he was asked to try this again. Then when this didn't work Mr D had to contact Prepay again where it then escalated the problem to its back-office to resolve. They decided to temporarily remove some security features to see if that would enable Mr D to use his card to withdraw cash from an ATM. Unfortunately Prepay failed to inform Mr D during his call with it that he only had 48 hours to attempt a further ATM withdrawal. This resulted in Mr D attempting further unsuccessful cash withdrawals and having to make a further call to Prepay.

I accept that Prepay did send Mr D an email advising him he "...will have up to 48 hours to use this card for the ATM transaction...". But not everyone has the ability to or checks their emails daily and as the message sent was after Mr D had spoken to Prepay and implies that Mr D was given incorrect advice initially about this, I don't think Mr D can be held responsible for not knowing he only had 48 hours to attempt an ATM withdrawal.

And when Mr D tried once again to withdraw cash – this time within the 48-hour window – it still didn't work. Prepay have now acknowledged that this was due to the fix it was trying to implement for Mr D – switching off the fraud rule responsible for the declines – was not possible. And so it seems there was – albeit with the best intentions of Prepay's representative – an error on Prepay's part here trying to implement a fix that wasn't possible.

I must make it clear here that I am not making a finding that Prepay did something wrong regarding any fraud prevention or security measures it has in place. But rather, that I think there has been a failing in the service it provided Mr D when he contacted it regarding not being able to make cash withdrawals from 29 August onwards.

I appreciate Mr D could've tried using his cards at merchant locations, but Mr D wanted to be able to withdrawal and use cash for whatever purposes he wished. I don't think it's fair to expect Mr D to change his plans or intensions because his card isn't working at ATM's as it should or Prepay can't identify or fix the problem.

And although I accept that Prepay did manage to arrange for Mr D to receive \$1,200 in emergency cash, he was still left with a balance on his card which he could not access in the way he wished.

Prepay say it could've arranged for Mr D to collect cash every 24 hours, but by this point Mr D's holiday was almost over and having to do this to access his remaining funds is still an inconvenience and would be at his expense in time and travel.

So I currently don't think the service provided by Prepay has been good enough and I think that Prepay should compensate Mr D for the inconvenience and distress this has caused him.

Mr D was abroad and wasn't able to use his card to withdraw cash for around five days through no fault of his own and says he had to borrow money from friends and family and was caused embarrassment when his transactions were continually declined. On top of this Mr D says he incurred call and transport costs and currency exchange fees when repaying his family and exchanging the remaining balance of CAD back to GBP.

Prepay say that Mr D made no mention of any costs incurred for calls or that he had to hire a taxi to go to the ATM and that this is a new aspect of Mr D's complaint. Prepay say that when calling its card services team Mr D would've received a message advising that calls made from a mobile or cell phone may incur charges applied by their phone operator and that a toll-free number was available to call from a landline and provided a link to its FAQs detailing the numbers.

Mr D has provided a copy of his and his son's mobile phone bills and I can see the phone numbers called between 29 August and 3 September (the period I'm looking at) are to the numbers provided by Prepay in its FAQs. But I can't see where it says in the FAQs that calls from landlines are toll-free. In any case Mr D may not have had easy or any access to a landline and wouldn't have had to make some, if any, of the calls to Prepay if he'd been able to withdraw cash as he should've been.

The phone bills supplied by Mr D show that 226 minutes were spent on the phone over 7 phone calls and incurred charges of £353.58 in total. These costs were incurred as a result of the issues Mr D experienced and are not a new complaint point in itself.

So having considered everything carefully I currently think that Prepay should reimburse Mr D these costs and compensate him £100 for the distress and inconvenience caused.

I accept that costs were incurred regarding the repeated trips to ATM's and from exchanging CAD to GDP. But without a receipt or evidence of this, I'm unable to quantify the costs involved.

And although Mr D was unable to use his card for ATM withdrawals, he was fortunate that he had friends and family who were there to support him financially until the matter could be resolved. And Prepay did arrange to get him \$1,200 – almost half of what he'd originally loaded onto the card - which he could've used to pay back those he borrowed money from.

And so it follows that I currently think Prepay should compensate Mr D £353.58 to cover the costs incurred as evidenced in calling Prepay between 29 August and 3 September and £100 compensation the distress and inconvenience suffered as a result of not being able to withdraw funds from ATM's and the service he received around this."

As neither party has provided any further evidence that I think materially changes the outcome or what I think is reasonable compensation, 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

Prepay should pay £353.58 towards Mr D's costs and £100 compensation for the distress and inconvenience caused.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 August 2025.

Caroline Davies
Ombudsman