

The complaint

Mr C complains that he was advised by Prepay Technologies Ltd (“Prepay”) that there were no ATM fees applicable to the money card he purchased through Prepay Technologies Ltd (“Prepay”) but while travelling abroad he found ATMs tried to charge him a fee.

What happened

On 3 February 2025 Mr C purchased a foreign currency money card at the airport and loaded the card with £50 worth 1,787,50 Thailand Baht. Mr C says that he had an alternative virtual card he was going to use for purchases by chip and pin but he wanted this card to withdraw money out of a cashpoint as not many vendors where he was going take card and chip and pin so it was essential to have cash.

Whilst travelling Mr C contacted the business as he’d noticed that the ATMs tried to apply fees. Mr C was unhappy with this as he says he was advised that there were no ATM fees applicable to this card and raised a complaint. Mr C wants a full refund of the £50 he loaded onto his card.

The business explained that they don’t apply any ATM fees as part of the card programme, but that some ATM owners may apply a local fee when a cardholder initiates a withdrawal or balance enquiry.

The card’s terms and conditions state under the Fees and Limits section:

“No fee for withdrawing cash at a cash machine outside the UK. Some operators may charge their own fee.”

And this information is also provided on the business’s website on the FAQ page.

And as any charges were imposed by external ATM operators Prepay say that it was unable to process a refund in this instance.

Mr C says as a result of the ATMs applying fees for cash withdrawals, he decided not to use the card during his travels and brought his complaint to this service. Mr C says the card was mis-sold to him.

One of our investigators looked into Mr C’s concerns but didn’t think Prepay had done anything wrong or treated Mr C unfairly as based on the evidence they had seen nothing to suggest that Prepay attempted to charge him any fees and that any issues Mr C had was due to local ATMs applying their own fees which Prepay had no control over. Furthermore, they thought that the terms and conditions – which they’d expect a customer to review - made it clear that some ATM operators may charge their own fee.

Mr C disagreed and asked for an ombudsman’s decision on the matter. He says the card advertisement was false and misleading and Prepay failed to act in his best interests. He says he paid an exchange rate 25% more than he needed to on the basis that the card is usable for free in any ATM and wants Prepay to refund the money held on his card.

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.

It might help if I explain here my role is to look at the problems Mr C has experienced and see if Prepay has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr C back in the position he would've been in if the mistakes hadn't happened.

And having considered everything I'm in full agreement with our investigator's view and don't think there is anything much more of use I can add.

Mr C is unhappy that it wasn't made clear that fees could be charged by ATMs when withdrawing cash abroad.

But I can't see that there were any ATM fees charged by Prepay and the terms and conditions as above state that "...Some operators may charge their own fee."

Mr C acknowledges this but says the business deliberately failed to explain to him that there could be additional fees and didn't mention that the ATM network used abroad could charge fees.

But as I understand it, nor was it said that they wouldn't be charged a withdrawal fee by the ATM owner. And I wouldn't expect Prepay or its agent to discuss the potential of withdrawal charges at third party owned ATMs abroad or otherwise. They are not owned or the responsibility of Prepay and Prepay can't possibly know what if any fee's ATMs charge worldwide.

I think most would reasonably understand that ATMs often have a charge for withdrawing money and this is regardless of the type of card you are using to make the transaction - the outcome would be the same. So I don't think Prepay have treated Mr C unfairly as it has no obligation to inform Mr C about what other businesses charge, and I think it unlikely that Prepay's agent would advise anything differently.

Mr C was given a copy of the terms and conditions when he purchased the card and I think it reasonable that when purchasing a card that he review these. I appreciate Mr C was under some time pressure when he purchased the card, but I don't think it would be fair to penalise Prepay for this – as again this is something Prepay had no control over.

In this case Mr C chose not to use his card and so hasn't suffered any withdrawal fees. But even if he had as there is no evidence any potential ATM withdrawal fee was charged by Prepay or that Prepay stated that there wouldn't be any additional fees from third parties and so I can't say Prepay have done anything wrong.

So it follows that because I don't think Prepay have made a mistake or treated Mr C unfairly, I do not uphold this complaint.

My final decision

For the reasons I've explained I've decided not to uphold Mr C against Prepay Technologies Ltd.

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

Caroline Davies
Ombudsman