

The complaint

A limited company 'L' complains that PayrNet Limited didn't do enough to prevent the loss they suffered when they were a victim of a scam.

The complaint is brought by L's director, Mr R. He also initially used a representative to bring his complaint who is now no longer acting for him. But, for ease of reading, I'll mostly refer to Mr R throughout where I mean him, his company and his former representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In October 2023 Mr R made two payments. He says he believed at the time that he was paying to purchase stock from an international seller which he intended to sell on as part of his business.

The payments were for £8,254.81 and £8,253.44 and took place on 10 and 23 October 2023 respectively. On 25 October 2023 Mr R's account received a credit of £8,112.70 (which I understand was his second payment being returned, less fees or currency exchange differences).

Mr R now believes that he's been scammed. He says the supplier he thought he was using was impersonated and says there is an online warning to support this. He doesn't believe PayrNet did enough to protect him from losing money or to recover his funds. He would like to be refunded and compensated.

When Mr R complained to PayrNet they didn't offer any redress, they said at the time they were still awaiting an update from their international payments partner about recovery. Mr R referred his complaint to our service and one of our Investigators didn't recommend it should be upheld. In summary she said even if this was a scam, she didn't think this is something PayrNet fairly should be held responsible for. She also didn't think that a delay in attempting recovery made a difference.

Mr R disagreed and asked for an Ombudsman to review his complaint.

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.

Having done so, I've reached the same overall outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr R, so I'll explain why.

In order to accept that Mr R has been scammed, I'd need to find it's more likely than not that the entity he sent funds to had no intention to supply him with goods when taking his payment. Rather than any number of various problems that can arise in the course of a

business and may result in goods not being sent. However, I don't think I need to make a finding as to whether Mr R has been scammed to fairly decide this complaint. If he wasn't, then there was no obligation for PayrNet to intervene in what were legitimate payments. And if he was, then for the reasons I'll set out, I still don't think PayrNet need to do more.

Firstly, even where a scam is confirmed, there is no automatic right to a refund for Mr R from PayrNet. I could only make such an award if I was persuaded that but for failures by PayrNet, Mr R's loss (or a part of it) would've been prevented.

Even if I were to say that Mr R's payments (either individually or collectively) were so unusual that PayrNet ought to have concluded that Mr R was at risk of financial harm and to have done more than they did before processing them, I'm not persuaded this would've made a difference to the payments being sent.

I say this because Mr R's own submissions are that he'd already conducted due diligence at the time prior to making his payments. He'd had the opportunity recommended to him by his business consultant. The invoices and documents he'd received appeared genuine and included video footage of the products he believed he was buying. Mr R had also secured funding from a third party to be in partnership in relation to this venture. Mr R was obviously alert to the risk of conducting business internationally as he took steps like asking for videos and images of the products he was purchasing to be sent to him, before going ahead. So I don't think this was a risk that Mr R was blind to or that PayrNet providing a warning would've been particularly impactful. I don't think that any reasonable level of intervention that fairly could've been expected of PayrNet would've resulted in Mr R doing more research than he'd already done. I think it's more likely than not that he would've instructed his payments in any case.

The alleged scam also was discovered when one of Mr R's payments bounced back and Mr R was told that this was due to a bank audit and he was given alternative details to pay. I don't think anything PayrNet might have done would've accelerated what happened to allow him to have discovered the alleged scam sooner.

Mr R has suggested that the account details that he paid didn't match those of the recipient bank and he thinks this is something PayrNet should've checked. I've considered this but I don't agree. PayrNet aren't required to conduct such checks and I don't think they acted unreasonably by not doing so. I'm not aware of a Confirmation of Payee like system that works internationally and would've enabled the details of any recipient account holder to have been checked as a matter of course.

Mr R has made much of the fact that the parent company of who he believed he was dealing with published a warning on their website that their logo was being misused by third parties. I've checked the history online and can't see that this warning would've been in place at the times he made his payments. But even if it was available, for the same reasons as I've set out above, I'm not persuaded this is something Mr R would've found in response to any reasonable level of warnings from PayrNet. It follows that I don't think PayrNet are responsible for any of Mr R's losses due to not having done more than they did before the payments were sent.

Mr R also seems to think that PayrNet should've picked up on the above warning. It wasn't PayrNet's role to perform such checks on Mr R's behalf. PayrNet should ask sufficient questions to enable them to provide appropriate warnings. And I've set out above why I'm not persuaded that them not doing so in this case, was causal to the loss Mr R has suffered.

Recovery of international payments is always more challenging than UK to UK payments. Some jurisdictions require the account holders consent or a court order to be able to return

funds. And I also know that it is very common for money to be promptly moved on by scammers specifically to frustrate recovery attempts. So whilst I would agree with our Investigator that PayrNet should've acted more promptly to attempt recovery, I don't think it's more likely than not that this made a difference.

The evidence shows that chasing potential funds took quite some time. And that in conjunction with what we typically see on cases like this means I'm not persuaded that PayrNet's delay made a material difference to whether a successful recovery could've been made. Particularly when the initial payment that PayrNet were trying to recover wasn't reported to them for around 13 days.

Obviously, I'm sorry to hear Mr R lost the money he did. But as I don't think this is something PayrNet are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 26 November 2025.

Richard Annandale
Ombudsman