

The complaint

Mrs K complains that PayrNet Limited (“PayrNet”) won’t refund the money she lost to an impersonation scam.

Mrs K held a pre-paid “Spree” card. The e-money issuer for the card is PayrNet. For simplicity, I’ll refer to PayrNet throughout this decision.

What happened

The background is known to both parties, so I’ve summarised only the key points. In July 2024, Mrs K wanted to book flight tickets for herself and her daughter so they could travel for her father’s funeral. She contacted what she believed to be a genuine travel agent (“A”). She later discovered she had connected with a scammer – a clone of a legitimate company.

Mrs K says she was quoted £1,705 for the tickets. She wanted to pay for them online, but the scammer told her that online payments couldn’t be processed due to a global IT outage. She was instead persuaded to pay by card. Believing she was dealing with a genuine travel agent, Mrs K provided the details of her pre-paid card, including expiry date and CVV.

When the flight tickets didn’t arrive, and because she had to travel urgently, Mrs K bought flights using her credit card through a genuine agent (“J”) a few days later. Although she was ultimately able to travel on 21 July 2024, three payments had already been made using her card as a result of her interactions with A. These comprised one payment of £1,405.73 and two payments of £135.82, to two different merchants. The total amount lost was £1,677.37.

Mrs K reported the matter to PayrNet and complained that it should have identified the fraud. She also said that because she was scammed and didn’t receive the services she had paid for, she was entitled to a refund under the chargeback scheme. The complaint was referred to our Service. Our investigator didn’t uphold it. In short, he concluded the payments should fairly be treated as authorised, that PayrNet wasn’t at fault for failing to detect the fraud, and that a chargeback claim was unlikely to have succeeded in the circumstances.

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 decided not to uphold it for similar reasons as the Investigator. Mrs K will understandably be disappointed but these are the key reasons for my decision.

Was it fair for PayrNet to treat the payments as authorised?

Under the relevant law – the Payment Services Regulations 2017 (PSRs) – the starting point is that Mrs K is liable for payments she has authorised. With limited exceptions, PayrNet is required to reimburse payments that are unauthorised. A payment will often be authorised because the customer made it themselves. However, a payment can also fairly be treated as

authorised where the customer has given permission for someone else to make the payment on their behalf or has told their payment service provider to allow the payment to proceed.

There is no dispute Mrs K was the victim of fraud. I've seen her communications with the scammer and her evidence that she later had to spend additional money to purchase flights from a legitimate travel agent. I can also accept that she wasn't required to take additional steps to authenticate the payments, such as sharing a one-time passcode or approving them in-app. But it's agreed Mrs K shared her card details, albeit with someone impersonating A, on the understanding that those details would be used to make payment from her account.

Although the scammer then used that information to buy different flights and services for other people, the payments were authorised because Mrs K agreed to a third-party making the payments on her behalf. Issues, such as who the flights were booked for, relate to the underlying contracts with the merchants. They don't change the fact that Mrs K agreed to a third-party making the payments or that PayrNet received valid payment instructions which it then processed. And the fact that Mrs K was deceived by a convincing scammer about the wider context, isn't a consideration to whether she consented to the payments themselves.

In the circumstances, while I'm naturally very sorry that this happened to Mrs K – and at an especially difficult time in her life – and I don't imagine she would have gone along with any of it had she realised she would lose her money in this way, I'm satisfied the payments were authorised for the purposes of the PSRs. And it's important for me to say that there is no automatic right to a refund for authorised payments lost as a result of a scam.

Did PayrNet miss an opportunity to prevent Mrs K's losses?

In broad terms, PayrNet is expected to process payments and withdrawals that a customer has authorised, in line with the PSRs and the terms of the account. While PayrNet is also expected to remain alert to the possibility of fraud and, in some situations, to carry out extra checks before processing payments, I don't consider that PayrNet needed to do so here.

I recognise the amounts in question were not insignificant, but I don't consider they should reasonably have been regarded as particularly suspicious. The payments were also made to legitimate merchants and firms must strike a balance between identifying possibly fraudulent transactions and avoiding unnecessary disruption to genuine ones. In the circumstances, I'm not persuaded PayrNet was at fault for failing to intervene or for not recognising Mrs K was at a heightened risk of fraud and making further enquiries before processing the payments.

Could PayrNet have done more to recover the payments?

As the payments were made by card, PayrNet was able to attempt recovery through the chargeback scheme. This is operated by the scheme provider (Visa) and used to resolve disputes between customers and merchants, in line with the rules set by the scheme.

In its final response, PayrNet explained it initiated chargeback in relation to two of the transactions, but these were defended by the merchant. I understand Mrs K's view that, because she didn't receive the goods or services she expected, PayrNet should have pursued chargebacks for all the payments. However, chargeback is a process that depends on the position of the merchants who received the payments. There is no evidence that these merchants were illegitimate or involved in the scam. Given that they were likely to have provided their relevant goods or services, albeit to a third-party rather than Mrs K, it is unlikely that a chargeback claim would have succeeded. And so I can't reasonably conclude that PayrNet was at fault or is liable for Mrs K's losses for not pursuing chargeback further.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 11 May 2026.

Thomas Cardia
Ombudsman