

The complaint

Miss W complains PREPAID FINANCIAL SERVICES LIMITED hasn't refunded transactions that she didn't complete or authorise.

What happened

Miss W has a pre-paid card issued by PFS.

In June 2020 Miss W contacted PFS to say there'd been over £9,600's worth of transactions on her card that she hadn't completed or authorised. Miss W says she knew that this was the case because she'd not yet activated the card in question, nor had her details been verified.

PFS looked into the transactions Miss W had disputed and said that they'd all been authenticated and that she also hadn't raised a chargeback in time. On that basis PFS said it wouldn't be refunding the transactions. Miss W was unhappy with PFS's response and ultimately complained to us.

One of our investigators looked into Miss W's complaint and upheld it as PFS didn't – despite a number of requests – send evidence proving that the transactions in question had been authorised. On that basis, our investigator said that PFS wasn't entitled to hold Miss W liable. PFS eventually responded and agree to the outcome our investigator had recommended but did so on the basis that only £3,387.42's worth of transactions had actually cleared and left Miss W's account – the rest hadn't. In other words, PFS offered to refund £3,387.42's worth of transactions. Both parties accepted. That was in October 2023.

Miss W subsequently contacted us to say that she'd not heard back from PFS, and her claim had not been settled. Our investigated followed this up with PFS on several occasions, without success. So, Miss W's complaint was referred for a decision and passed to me.

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.

I agree with our investigator that PFS hasn't shown that the £3,387.42's worth of transactions that actually cleared and left Miss W's account were authorised by Miss W. I, therefore, also agree that PFS can't hold Miss W liable for those transactions. Its offer is, in the circumstances, fair and reasonable – and that has already been accepted.

Putting things right

Given what I've just said, I agree that PFS should refund the £3,387.42's worth of transactions it accepts Miss W didn't authorise. I'm not going to require PFS to do more as the balance loaded onto Miss W's card doesn't earn interest.

My final decision

My final decision is that I require PREPAID FINANCIAL SERVICES LIMITED to refund the £3,387.42's worth of transactions it accepts Miss W didn't authorise.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 31 July 2024.

Nicolas Atkinson
Ombudsman