

The complaint

H, a limited company, complains that Prepay Technologies Ltd offered it an incentive to switch its account but then said that it wasn't eligible to do so.

What happened

H says that it arranged to transfer money into its account to qualify for a higher incentive payment. But that when it tried to switch it was told that it couldn't do so. H says that as a result it has lost interest on this money.

Prepay said it hadn't made a mistake. It said it was discontinuing an e-money account and inviting customers to apply to switch to a new bank account. But not all customers were eligible. And that H should keep checking. It told H in the final response to the complaint that it was required to *'carry out a review of customer accounts from time to time to ensure your account is being used with[in] our terms and conditions.'* And that it had asked H for information about its account. Following its final response letter to the complaint Prepay said that H had become eligible to apply to switch.

Our investigator didn't recommend that the complaint be upheld. Prepay had confirmed the switching incentive scheme to H but not told it that it would be eligible. Prepay was entitled to carry out a review of the account and had asked H questions about a deposit of £80,000. She didn't agree with H that it had been forced to transfer money into the account to switch. And she said that Prepay wouldn't have been able to tell H when any review would be concluded as this wasn't known and it could have otherwise misled H about this. H had been able to use the account during the review period.

H said it didn't agree and wanted an ombudsman to review the case. It maintained that it was 'forced' to transfer money to receive the higher incentive as this increased with a higher account balance. It hadn't understood that the issue was with the transfer and Prepay should have told it when any review would be completed. It said it had been misled with a false incentive.

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've seen that H was told by Prepay in an email of 25 April 2024 that its existing account would no longer be available. And that it had until 22 October 2024 to either decide to switch to the new account or make other arrangements. It decided to switch, and H noted and confirmed with Prepay that if it had more than £100,000 in the account it could receive the highest incentive payment.

H made arrangements to transfer money and tried to switch but received an error message. When it complained it was told it wasn't then eligible. And as I've set out above Prepay referred in its response to a review of the account taking place. It was entitled to carry this out and it was reviewing whether H was complying with the account terms and conditions.

And it had told H what it needed for that review.

In these circumstances I don't think it was unreasonable for Prepay to tell H that it was then not eligible for the switch. The account wasn't blocked, and I can see from the account statements that H was then able to transfer money. Prepay wasn't able to tell H when it might be eligible nor required then to give H any more information. And the review was concluded, and H says in its complaint form that its account has now been upgraded.

I'm not persuaded that Prepay has made a mistake or acted unreasonably. I wouldn't expect it to compensate H for what it says was a loss of interest during the review. Here H had access to the account and when it provided information to Prepay it was then in a position to make the switch before the deadline.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask H to accept or reject my decision before 25 October 2024.

Michael Crewe
Ombudsman