

Before the Arbiter for Financial Services

Case ASF 135/2025

EJ

(‘Complainant’)

vs

OpenPayd Financial Services Malta Limited

Reg. No. C 75580

(‘Service Provider’ or ‘OPFS’ or ‘OpenPayd’)

Sitting of 09 January 2026

The Arbiter,

Having considered in its entirety, the Complaint filed on 02 July 2025, including the attachments filed by the Complainant,¹

The Complaint

Where, in summary, the Complainant says he is a victim of a scam orchestrated by unknown persons operating through a platform known originally as ‘www.millenium-trading.com’ who persuaded the Complainant to start investing funds promising strong returns.

It later proved that this was a scam and Complainant is holding OpenPayd responsible to refund his loss which he quantified at €31,700. In the process of evidence, he reduced the amount claimed to €20,700 as it resulted that a transfer of €11,000 initially reported did not constitute any loss to him.

¹ Page (P.) 1 - 7 and attachments p. 8 - 62

These transfers were made from his account with two Italian banks to what he believed was an account that he had with OpenPayd.

These transfers were reportedly made between 02.10.2024 and 13.12.2024 as follows:

DATE	AMOUNT IN €	BENEFICIARY	Reference	Remitter Bank
02.10.2024	10,000	Complainant	p. 40	Relax Banking
21.10.2024	11,000	"	p. 41	Crédit Agricole
06.12.2024	1,000	"	p. 43	Relax Banking
06.12.2024	1,000	"	p. 44	"
06.12.2024	2,800	"	p. 45	"
10.12.2024	3,900	".	p. 46	"
13.12.2024	1,000	"	p. 47	"
13.12.2024	1,000	"	p. 48	"
21.10.2024	-11,000	"	Claim withdrawn	Crédit Agricole
TOTAL	20,700			

All payments were sent to OpenPayd and show Complainant as both beneficiary and remitter quoting IBAN number ending ... 5847.

From the point of view of the remitter bank, these seemed like normal me-to-me payments where the funds were to be credited to an account that the Complainant had with the receiving institution (OpenPayd).

Reply

In their Reply² of 01 August 2025, OpenPayd raised a preliminary plea stating that the Arbiter had no competence to hear and adjudge this case as Complainant was not an eligible customer as defined in Article 2 of CAP. 555 of the laws of Malta which regulates the operation of the Office of the Arbiter.

On merits they stated:

"We wish to make clear that OpenPayd has only ever provided its services to its corporate client Foris MT Limited (Crypto.com). Foris MT Limited is a company registered in Malta and operates the platform known as Crypto.com (the 'Merchant').

To our understanding from the submission of Avv. Vito Anello, his client, (the Complainant) may have entered into a commercial agreement with the Merchant after following direction from unidentified third parties, and been provided with a cryptocurrency wallet. Please note that any onboarding would have been conducted solely by the Merchant and OpenPayd would have had no involvement in this and cannot comment on whether (the Complainant) was properly onboarded by the Merchant.

Having said that, OpenPayd carries out enhanced due diligence on the Merchant to understand its compliance processes and controls.

We understand that the substance of the Complainant's concerns relates to OpenPayd accepting me-to-me bank transfers from (the Complainant).

As an electronic money institution, OpenPayd services corporate entities to assist them in their own reconciliation of payments. Such a client is Crypto.com.

Crypto.com, as a separate corporate entity may, in turn, enter into their own onward commercial relationships, which in this case would be the Complainant. However, ultimately, OpenPayd has no control over any onward commercial relationships entered into between its corporate client, Crypto.com, and any third party/ies, (the Complainant), in this case. Ultimately, OpenPayd can only reiterate that on its part, it has only ever serviced Crypto.com and has never

² P. 71 - 78

provided services to (the Complainant) who was purportedly directed by an unidentified third party into making the transfers.

Another point of the complaint pertains to the transactions (the Complainant) executed in favour of Crypto.com. It is alleged that (the Complainant) was misled and was reportedly the victim of a fraudulent scheme. While this is undoubtedly unfortunate, the payment instructions provided to (the Complainant) by the alleged third party and any arrangements made between (the Complainant) and such unknown individuals or organizations are entirely beyond OpenPayd's knowledge and control. OpenPayd has had no involvement or connection with these third-party dealings.”³

.....

“Accordingly please be advised that the letter of Complaint inaccurately characterizes the nature of the payments made from (the Complainant’s) bank account in Crypto.com. Specifically, it suggests that the funds were paid to a ‘bank account’ held by OpenPayd which does not accurately reflect the role or services provided by OpenPayd. As previously stated, OpenPayd is not a bank and has only received the funds solely in its capacity as a receiving Payment Service Provider (PSP) on behalf of its merchant, Crypto.com.

OpenPayd has at no time had any involvement in (the Complainant’s) relationship with the Merchant (Crypto.com) nor has OpenPayd ever had any commercial or contractual relationship with the unknown third party who may or may not have operated through the Merchant and/or separately engaged with (the Complainant). In this, OpenPayd is not aware, nor could have been or ought to have been aware of any arrangement between this alleged third party, the Merchant and (the Complainant).

In terms of law, OpenPayd is to carry out customer due diligence on its corporate client, Crypto.com, both at onboarding stage and during their relationship as required by applicable laws and regulations. OpenPayd further confirms that it complies with all its anti-money laundering and counter-terrorist financing (‘AML-CFT’) obligations, including undertaking customer due diligence on all its corporate clients of which transaction monitoring forms an integral part.

³ P. 72 - 73

OpenPayd is responsible for all the diligence requirements in respect of its own corporate clients, including Crypto.com for the duration of its commercial relationship with it. The law states that customer due diligence requirements concerning all Crypto.com's customers, such as (the Complainant), are to be performed by Crypto.com and not by OpenPayd; the latter has no relationship with the Merchant's end users.

It appears this case relates to an unfortunate incident of fraud in (the Complainant's) regard which is altogether distinct from the tools that are to be adopted as mandated by law for the purposes of prevention of money laundering and financing of terrorism. Ultimately, it is incumbent on the merchant to adopt such measures in regard to its end users such as (the Complainant), and on OpenPayd vis-à-vis its merchants. In this respect, OpenPayd has always complied with its statutory obligations in implementing the required measures for the prevention of money laundering and financing of terrorism.”⁴

In conclusion, they stated:

- *“OpenPayd has no legal relationship with the Complainant.*
- *OpenPayd has no relationship whatsoever with the unidentified third party which reportedly scammed (the Complainant) and OpenPayd has had no involvement in any of the interactions that the Complainant has chosen to have with the unknown individuals or organization.*
- *In respect of the request to return funds which the Complainant authorised to be paid from their third-party bank account; the Complainant should address this request to Crypto.com as a beneficiary of those payments.”⁵*

Hearings

During the hearing of 12 September 2025, the Arbiter overruled the preliminary plea and declared his competence to hear and adjudge this case.

Decision re Preliminary Plea

The transfers complained of show as beneficiary the Complainant and without any reference to any third-party beneficiaries. Nowhere in the transfer

⁴ P. 75 -76

⁵ P. 78

payments is there any reference to the Merchant to whose account the Service Provider is claiming to have credited the funds.

Article 22(2) of Chapter 555 of the Laws of Malta ('the Act') stipulates that:

"Upon receipt of a complaint, the Arbiter shall determine whether the complaint falls within his competence."

Moreover, in virtue of Article 19(1) of the Act, the Arbiter can only deal with complaints filed by **eligible customers**:

"It shall be the primary function of the Arbiter to deal with complaints filed by eligible customers through the means of mediation in accordance with Article 24 and where necessary, by investigation and adjudication."

The Act stipulates further that:

"Without prejudice to the functions of the Arbiter under this Act, it shall be the function of the Office:

*(a) To deal with complaints filed by eligible customer."*⁶

Eligible customer

Article 2 of the Act defines an "eligible customer" as follows:

*"a customer who is a consumer of a financial services provider, or to whom the financial services provider has offered to provide a financial service, or who has sought the provision of a financial service from a financial services provider."*⁷

The Arbiter has to primarily decide whether the Complainant is in fact an **eligible customer** in terms of the Act.

No claim has been made that the Complainant was a customer or consumer of the Service Provider or that the Service Provider had offered him any service. The case revolves on whether the Complainant had sought the provision of a financial service from OPFS.

⁶ Article 11(1)(a)

⁷ Emphasis added by Arbiter

On a similar issue, in case reference ASF 155/2024,⁸ the Arbitrator had decreed that as the beneficiary was clearly indicated as being the remitter himself, the Arbitrator did not accept that the Complainant:

“Never sought the provision of a financial service from OPFS.”

For same reasons already explained in ASF 155/2024, the Complainant is deemed as qualifying as “*eligible customer*” in terms of Article 2 of the Act.

Therefore, the Arbitrator decrees that he has the competence to deal with the merits of this Complaint against OPFS, without any prejudice to the complaint against the other co-defendant Service Providers, and will proceed accordingly.

Merits

At the hearing, the Complainant stated:

“At the end of August 2024, I was online with my mobile phone. I was searching on a social network, something like that, and I came across an advertisement in relation to a good investment in which I could join. This advertisement was proposed by an Italian journalist whose name is Sallusti.

It is most likely that with the aid of AI, the journalist was made to look like he was making these declarations which declarations were not real.

In the light of this advertisement, I put my personal details in order to receive communication from someone of this group of investment. Then, I was contacted by a guy. I do not remember his name but there is his name in the documents provided.

At the first part of September 2024, this person, Topia, invited me to make a small investment of €250.

Then, after this first payment, I was requested to download an app, actually, an trading platform, Millenial Trading. Then, I was assigned to a specific account manager – a second person – Valentino Mungo.

⁸ <https://financialarbiter.org.mt/sites/default/files/oafs/decisions/2097/ASF%20155-2024%20-%20PU%20vs%20OpenPayd%20Financial%20Services%20Limited.pdf>

In the first week of activity, Valentino Mungo, had requested me to send several thousand euros to the platform totalling to €9,000.

Meanwhile, I requested to be provided with specific authorisation of Millenium Trading and of my account manager but, unfortunately, I have not been provided with this specific and formal information.

Mr Valentino Mungo had sent me several screenshots attesting to the good investments from which I would have received in a few weeks several thousand euros. So, it actually seemed to be a favourable investment in relation to any Italian company.

The first account manager, Valentino Mungo, started to get nervous in relation to the request of verification that I made regarding him and the company. And I was starting to get nervous because of Mr Valentino Mungo's requests for money.

I did not have full trust in this activity, so I was not convinced to send those amounts of money.

I then sent an email to an official address of Millenium Trading asking for a new account manager. In the next few days, I was contacted by Lorenzo Orfei who told me that he was the owner of Millenium Trading. He was very gentle, very kind. He had contacted me several times. And he had allowed me a withdrawal.

I requested a withdrawal of €500 but was only allowed a withdrawal of €80.

Then, he told me to download a software app, AnyDesk. He told me that I will receive an amount of €10,000 from a third party (since he was not able to make the payment himself) and then, when the money was received, I had to send this money to Millenium Trading in order to show me that this way I would be able to make the (?) in one week.

This was around the month of November 2024.

The Arbiter intervenes to clarify that the list of payments being complained of started on 2 October 2024 for €10,000. Then, on 21 October 2024, for €11,000. In November there were no payments and started again in December.

The Arbiter continues to say that EJ stated that before, when he was dealing with the first representative, he sent payments totalling to €9,000.

EJ clarifies:

I had received several requests for payments from Valentino Mungo, but actually, I had made just a few payments in that period. And then, from October, I started to make more substantial payments. The amounts are in the letter before action.

The Arbiter asks whether I was referring to the first payment of €10,000 on 2 October 2024 made under the new contact.

I confirm that this is correct.

I say that, from my point of view, the relation I had with Mr Lorenzo Orfei in that period was going well. Meanwhile, I could see the growth of my investment on the trading platform.

And from that investment of €10,000 - the money they sent to me and which I sent to a third person - they made an investment with Crypto.com and, actually, I saw that my investment was growing.

At the end of the period of this very short investment, I had received a percentage from the growth of this investment of €2,000 from Lorenzo Orfei.

After a few weeks, Lorenzo Orfei asked me to do the same thing with an investment of €20,000. I agreed to make this new investment, and they had sent me, to a new bank account in Italy, the total sum of €11,000 since €9,000 were already on the trading account that I was intended to use to reach €20,000.

Lorenzo Orfei told me once again that he was not in a position to send me the promised amount himself. So, Lorenzo Orfei said that he would tell his father-in-law - presumably, the father of his fiancée - to send me these €11,000 to my Italian bank account. The father of his fiancée sent me these €11,000 to my Italian bank account.

I say that the bank blocked the bank account and requested me to go to this specific bank where I held the bank account before. And they told me that it seemed that those bank transfers were actually a scam; that I was in contact

with some fraudsters and this was the reason why they blocked my bank account.

To clarify, I say that after sending these €11,000 to my bank account, they moved by means of AnyDesk these €11,000 to another Maltese bank account opened with OpenPayd using my personal details. And these €11,000 were invested with Crypto.com.

Asked by the Arbiter whether I gave back these €11,000 to Mr Orfei's father-in-law, I say that I intended to give back this money to the father-in-law, but Mr Orfei said that the father-in-law took this money from Crypto.com in which the investment had been made. So, there was no need to transfer back the money.”⁹

At the second hearing held on 15 September 2025, Complainant confirmed that the €11,000 mentioned at the last hearing should be excluded from his complaint as amount was fully recovered. He confirmed that his claim for compensation thus reduces to €20,700.

Complainant continued to give evidence stating:

“The reason why I made those transfers in December is because I requested this person to withdraw the amount or part of the amount that I had in the Millennium Trading account from my trade account to my bank account. A normal withdrawal.

The fraudsters had asked me to make some payments to, let me say, unblock the sums inside the trading account, I have been requested to purchase some cryptocurrencies. I am now searching for the specific requests. This had happened in the month of December.

They have used AnyDesk in order to enter my cell phone and make the transfers from my bank account to the required bank account in order to unblock.

At the end of December, I was quite nervous due to the fact that I kept paying but the withdrawal did not take place.

The Arbiter understands that after the last payment of 13 December 2024, the complainant realising that despite making all these payments earlier and, in

⁹ P. 79 - 82

spite of their promises, his demand for the transfer remained blocked. Realising he was being scammed, he stopped making payments.

Asked to confirm this, I say that I received this request to purchase ETH by email address which ended at Crypto.com. It did not belong to Crypto.com. I became aware of this detail late, unfortunately.

On the last day of the transfer, I realised I had done everything from my part, so I made a request to this email address to unblock my withdrawal. I did not receive a response for three or four days and then, I started to search for a contact with the real Crypto.com. Crypto.com officially replied that most likely I was scammed since no one at Crypto.com ever called anyone on their mobile phones.”¹⁰

The Arbitrator requested that the Complainant supports his evidence with a copy of the report he made about the scam to the Italian Authorities¹¹ and evidence of written exchanges with the scammers.¹²

For the last hearing held on 01 December 2025, OPFS submitted as evidence a sworn affidavit of Jessica Micallef explaining the internal operations of how Virtual IBANs (VIBAN) work and how funds are credited to the account of the VIBAN account holder even though they are not named in the transfer payment which to the remitter bank appears as a me-to-me payment to an account held by the remitter to an account he holds with OPFS.¹³

On being cross-examined, the Complainant stated:

“Asked about my educational background, I say that I have a university degree in pedagogic studies, an educational field relating to children. And I am an entrepreneur in the field of medical orthopedic and in the field of constructions. I am a businessman.

It is being said that at the last hearing of 12 September 2025, I said that I came across an advertisement in relation to a good investment, Millennium Trading. Asked whether I carried out research about Millennium Trading before I started investing, I say, no because Millennium Trading was indicated to me by

¹⁰ P. 83 - 84

¹¹ P. 88 gives only a cover of a report made to MINISTERO della Giustizia on 12.03.2025

¹² P. 89 - 120

¹³ P. 122 - 125

these alleged scammers after making the first payments. They told me that Millenium Trading was the platform of their trust. They told me that there was no other option.

I am referred to what I said at the last hearing, that I was speaking to these people and they asked me to download AnyDesk on my computer. Asked whether the scammers were given access to my bank account through AnyDesk or whether they gave me the information of the IBAN details and other information that I need to input, I say that I made the payments myself personally at the bank and the scammers had provided me with the IBAN number and all the details. In other cases, they have obtained authorisation and done all the payments themselves through AnyDesk.

Asked where I wanted to send this money and what was my intention when I sent this money, when I made the bank transfers, I say that the scammers told me that I had a bank account with OpenPayd and I was to send the bank transfers to OpenPayd. They assured me that everything was under control and that the money would be transferred from OpenPayd to Crypto.com. So, it was a part of the process.

Asked whether I had opened an account with OpenPayd, or whether I just accepted what they told me, that they had opened an account for me, I say that I had authorised the access with AnyDesk. They opened the bank account through AnyDesk.

Asked when I first heard of OpenPayd, when the name OpenPayd came to my attention, I say that I actually discovered the name OpenPayd when I made the last two payments in favor of OpenPayd at the request of the scammers. I remember it was a Saturday morning at 9 a.m. I was outside, in my car, and they called me on my cell phone and requested me to make these payments to OpenPayd. That was the first time I realized that I was sending money to OpenPayd.

It is being said that with my complaint, I attached information about the transfers that were made. And there is reference to my bank, Banca Don Rizzo Relax Banking.

Asked whether I took any action against my bank about these transfers or whether I filed a complaint with them or complained to them about these transfers, I say, no. On the contrary, one of the two banks has closed my

account with them and Don Rizzo Bank informed me that they would close my bank account if I continued with this activity.

I say that the other bank which closed my account was Crédit Agricole. I remember that was the month of December 2024.

Asked whether I started making the transfers with Banca Don Rizzo because my account with Crédit Agricole was closed, I say that I started with Banca Don Rizzo and then, I continued for personal reasons with Crédit Agricole. Then, Crédit Agricole closed my bank account, and I started using Banca Don Rizzo again. After two bank transfers, Banca Don Rizzo advised me that that was the last payment in relation to these activities.

I confirm that Crédit Agricole informed me that there were some problems with transferring the money to Malta.

I am referred to the documents that I sent by email, to one of the attachments numbered 1, page 5, where there are the chats with Mr Lorenzo Orfei. I am referred to a long message with a lot of letters and numbers, which I seem to have shared after a long phone call.

The Arbitrator states that he is taking it that on that date, the complainant and the scammer exchanged wallet addresses, as simple as that. It is clear.

It is said that on page five of the document numbered two, there is an exchange where Mr. Orfei seems to be saying, 'when you're free yourself to make an instant deposit on Crypto.com of the amount that your bank allows you to make.'

Asked to confirm that I had access to my account with Crypto.com, I say, no, I did not have direct access to Crypto.com. They did everything themselves through AnyDesk.¹⁴

Ms Jessica Micallef confirms her affidavit on oath.

The Complainant and his lawyer declare that they have no questions for Ms Jessica Micallef on her affidavit.

Dr Francesca Galea Cavallazzi declares that the Service Provider does not have any further evidence to present.

¹⁴ P. 127 - 128

Final submission

The Complainant opted not to make final submissions.

In their final submissions, Service Provider repeated what was already stated in their reply and stressed the following:

- The risk of moral hazard if compensation is awarded without satisfactory evidence that the Complainant was not himself part of the alleged scam, having presented no real evidence of his loss and his inconsistency of the quantum of loss suffered.
- Complainant did not heed advice of his home banks who warned about the risk of fraud and even closed (Crédit Agricole) and/or threatened to close (Relax Bank) his account.
- Complainant was grossly negligent even though he was educated to university level and allowed himself to be scammed without proper research, in search of illusory large profits.
- Gross negligence also results from giving full access to the scammers to his crypto wallet via the App ANYDESK.
- Complainant was not saying the truth when under oath he stated that he did not have access to his wallet with Crypto.com whereas the messages exchanged with the scammers prove otherwise.

Analysis and Observations

Having heard the parties,

Having seen all the documents,

The Arbiter considers that in order to avoid repetition, it is proper to refer to proceedings of case ASF 155/2024 which relate to the same circumstances and which the Arbiter had ruled that the Service Provider had no authority to take the provisions of PSD 2 as applicable to normal IBANs and apply them to VIBANs which are not covered by regulation and presented more risks to consumers than normal IBANs.

This complaint, however, presents a very different set of circumstances than those applicable for case ASF 155/2024.

Whereas in that case the Complainant was a vulnerable old person who could not be expected to understand the manoeuvres of the scammers, in this case, the Complainant was a non-vulnerable, educated person that admitted that he knew that he was making an investment on the platform 'www.millenium-trading.co' which later turned out to be fraudulent.

It is greed and gross negligence that inspired the Complainant to continue transferring funds to the scammers without seeking any professional advice or other rudimentary precautions. Evidence in the exchanges with scammers shows he did whatever the scammers were guiding him to do without question until it was too late.

"I say that, from my point of view, the relation I had with Mr Lorenzo Orfei in that period was going well. Meanwhile, I could see the growth of my investment on the trading platform.

And from that investment of €10,000 - the money they sent to me and which I sent to a third person - they made an investment with Crypto.com and, actually, I saw that my investment was growing.

At the end of the period of this very short investment, I had received a percentage from the growth of this investment of €2,000 from Lorenzo Orfei.

After a few weeks, Lorenzo Orfei asked me to do the same thing with an investment of €20,000. I agreed to make this new investment, and they had sent me, to a new bank account in Italy, the total sum of €11,000 since €9,000 were already on the trading account that I was intended to use to reach €20,000."¹⁵

Decision

As decided in case ASF 155/2024 (which is under appeal), OpenPayd had no authority to credit the funds to the owner of the VIBAN account shown in the transfers instead of the named beneficiary without specific authority from the remitter.

¹⁵ P. 81

Consequently, the Arbiter feels that this breach of conduct should be reported to MFSA (Malta Financial Services Authority) for proper investigation as the regulator for financial services who licensed the Service Provider.

A copy of this decision is being sent to the MFSA.

However, all considered, the evidence of the Complainant leaves no doubt that the loss incurred by the Complainant was caused by his greed and gross negligence and not by the conduct failure of OpenPayd. This is further reinforced by the fact that he even ignored scam warnings given to him by the two home banks involved in making the transfers.

The Arbiter sees no direct causation of the regulatory failure on the part of OpenPayd to the losses suffered by the Complainant.

For these reasons, the Arbiter is dismissing this complaint and orders parties to carry their own costs of these proceedings.

Alfred Mifsud

Arbiter for Financial Services

Information Note related to the Arbiter's decision

Right of Appeal

The Arbiter's Decision is legally binding on the parties, subject only to the right of an appeal regulated by article 27 of the Arbiter for Financial Services Act (Cap. 555) ('the Act') to the Court of Appeal (Inferior Jurisdiction), not later than twenty (20) days from the date of notification of the Decision or, in the event of a request for clarification or correction of the Decision requested in terms of article 26(4) of the Act, from the date of notification of such interpretation or clarification or correction as provided for under article 27(3) of the Act.

Any requests for clarification of the award or requests to correct any errors in computation or clerical or typographical or similar errors requested in terms of article 26(4) of the Act, are to be filed with the Arbiter, with a copy to the other party, within fifteen (15) days from notification of the Decision in terms of the said article.

In accordance with established practice, the Arbiter's Decision will be uploaded on the OAFS website on expiration of the period for appeal. Personal details of the Complainant(s) will be anonymised in terms of article 11(1)(f) of the Act.
