

**AK**

**(‘Complainant’)**

**Vs**

**Papaya Ltd.**

**Reg. C 55146**

**(‘Papaya’ or ‘Service Provider’)**

### **Sitting of 30 June 2026**

#### **Complaint<sup>1</sup>**

Complainant states that:

*“On 30 March 2024, several disposals were processed via Fintech Assets OU, totalling €3,577 without my knowledge and authorisation.*

*Unjustified overdraft fee*

*Papaya charged me €24.00 for an alleged overdraft of €8.46, which represents a disproportionate 2.837 multiplier.*

*Counterclaim calculation*

*Using Papaya’s own multiplier, my financial loss (points + legal fees) amounts to €12,641.95 EUR.”<sup>2</sup>*

By way of compensation, he claims reimbursement of €12,641.95.

#### **Reply of Service Provider<sup>3</sup>**

In their reply of 22 December 2025, the Service Provider stated:

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<sup>1</sup> Pages (p.) 1 - 6 with attachments p. 7 - 11

<sup>2</sup> P. 2

<sup>3</sup> P. 15

*“I am writing in my capacity as Compliance Officer of Papaya Ltd. in relation to the complaint recently submitted by [Complainant] and registered under reference ASF 282/2025.*

*Papaya Ltd. respectfully notes that the subject matter of the present complaint has already been examined by the Office of the Arbiter for Financial Services in Case ASF 227/2024, which was conclusively decided on 21 March 2025. In that decision, the Arbiter expressly classified the complaint as frivolous or vexatious within the meaning of Article 21(2)(c) of Chapter 555 of the Laws of Malta and declined to exercise jurisdiction, having found that the disputed transactions were duly authenticated using the complainant's own credentials and that no breach or failure could be attributed to Papaya Ltd.*

*Subsequent to the Arbiter's decision, the complainant has initiated judicial proceedings before the Courts of Malta concerning the same transactions and the same factual matrix. Papaya Ltd. confirms that the matter is currently sub judice, with the next hearing scheduled for 14 January 2026. In this context, the company is fully cooperating with the Maltese courts and will provide all documentation and information strictly in accordance with judicial requests and procedural rules.*

*Notwithstanding the existence of a final and binding decision of the Arbiter, as well as the pending court proceedings, the complainant has proceeded to submit a further complaint to the Office of the Arbiter for Financial Services, essentially reiterating allegations that have already been examined and rejected. Papaya Ltd. respectfully considers that the present complaint does not introduce any new factual elements, evidence, or legal arguments that were not previously assessed, nor does it alter the substance of the dispute currently before the competent court.*

*For completeness, we also note that the complainant received a formal and final written response from Papaya Ltd. on 9 September 2025, in which he was expressly informed that the matter had already been decided by the Arbiter and was now subject to judicial proceedings. That correspondence has been included by the complainant himself as part of the present complaint file.*

*In light of the above circumstances, Papaya Ltd. respectfully submits that the continued submission of repeated complaints in relation to the same matter constitutes an inappropriate use of the alternative dispute resolution mechanism and results in an unnecessary duplication of proceedings while judicial determination is ongoing.*

*Papaya Ltd. therefore respectfully requests that Complaint ASF 282/2025 be deemed inadmissible and dismissed accordingly. The company remains available to provide any clarification that the Office may consider necessary.”<sup>4</sup>*

### **Analysis and consideration**

The case for the claimed unauthorised payments of around €3,500 was decided by the court of appeal on 20 May 2026 where the Arbiter’s original decision of Case ASF 227/2024 (that the Complaint was frivolous and vexatious) was overturned by the court. A payment of €3,566 was ordered to compensate the Complainant.<sup>5</sup>

This complaint relates to the same loss suffered which has already been compensated through the appeal decision and uses some fuzzy logic to bring the compensation to €12,641.95 (not clear if this includes or excludes the payment ordered by the Court of Appeal).

The Arbiter finds this complaint frivolous and vexatious and in terms of Article 21(2)(c), declines to exercise his powers of adjudication under CAP. 555 of the Laws of Malta.

The Arbiter accordingly declares incompetence to hear this case in terms of the said Article 21 of CAP. 555 and considers inapplicable the obligation to hold one sitting in terms of Article 25(3)(a).

Each party is to bear their own costs of these procedures.

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**Alfred Mifsud**  
**Arbiter for Financial Services**

### *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

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<sup>4</sup> P. 15

<sup>5</sup> <https://ecourts.gov.mt/onlineservices/Judgements/Details?JudgementId=0&CaseJudgementId=161180>

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. Personal details of the Complainant(s) will be anonymised in terms of article 11 (1)(f) of the Act.

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