

Before the Arbiter for Financial Services

Case ASF 158/2026

RO¹

**Reg. No. XXX-XXX-XXXX being a Free Zone Company
registered in Dubai**

(‘Complainant’)

Vs

OpenPayd Financial Services Malta Limited

(C 75580)

(‘Service Provider’ or’ OpenPayd’)

Sitting of 20 October 2026

Complaint

This complaint² is related to a loss of €63,969 suffered by Complainant when they effected a bank transfer from Mashreq Bank in the UAE to Reliz Ltd (Reliz), a corporate organisation holding an account with OpenPayd.

They maintain that this transfer was effected on 23 January 2026 showing Reliz as beneficiary and OpenPayd as the beneficiary’s bank³.

They maintain that the transfer was rejected by Bank of America London branch, and they had asked Mashreq to make a recall of the transfer on 28 January 2026.

They maintain that the recall was successful and their account with Mashreq was credited back with the amount transferred on 02 February 2026⁴.

¹ In the process, (Complainant) presented evidence that it qualifies as a micro enterprise as defined in Article 2 of CAP. 555 of the Laws of Malta – pages (p.) 1 – 25 with one employee (p. 68) and annual turnover below €2,000,000 as per 2024 audited financial statements (p. 15).

² P. 1 - 9 and attachments p. 10 - 68

³ P. 28; 66

⁴ P. 26

However, they report that on 03 February 2026, the same amount was debited again without their authority to their account with Mashreq Bank and they accuse OpenPayd, stating that:

*“This subsequent debit was executed **on your initiative through your correspondent banking chain**, and not pursuant to any instruction or mandate issued by us”.⁵*

They maintain that:

“OpenPayd has failed to:

- *Provide the legal or contractual basis for the 03 February 2026 debit;*
- *Disclose the SWIFT settlement chain supporting the debit;*
- *Provide a clear and substantiated final response within the statutory 15 working-day period;*
- *Address the unauthorized nature of the transaction.*

Instead, OpenPayd has repeatedly refused to disclose information, citing that we are not their direct client, despite the transaction being executed through their payment infrastructure⁶”

As a resolution, Complainant seeks:

- *“Full reimbursement of EUR 63,969.00;*
- *Restoration of our account position as it stood on 02 February 2026 following the successful recall;*
- *Any applicable interest or charges resulting from the unauthorized debit;*
- *Disclosure of the full SWIFT settlement documentation relating to the transaction.”⁷*

⁵ P. 27

⁶ P. 5

⁷ Ibid.

Reply of the Service Provider

Reply on merits⁸

In their reply, Service Provider stated:

“OpenPayd provides its services to its clients – corporate entities that have a signed agreement with either SettleGo Solutions Limited (a company registered in England and authorized by the FCA as an Electronic Money Institution (Firm Reference Number: 900483)) or OpenPayd Financial Services Malta Limited (a company registered in Malta and authorized by the Malta Financial Services Authority as a financial institution in terms of the Financial Institutions Act - Chapter 376, Laws of Malta (company registration number C75580)), depending on the jurisdiction (“OpenPayd”).

Based on the information available to us and by the Complainant’s own admission, it is our understanding that the Complainant, alleges that following the return of funds to its account after a purportedly successful recall of an international wire transfer, the same amount of EUR 63,969.00 was subsequently debited from its account without its knowledge, authorization, or consent and sent again to Reliz Limited.

OpenPayd conducted an internal review and determined that this virtual IBAN had been issued within the framework of its services to Reliz Limited trading as Blockfills. (“Merchant”).

Background

OpenPayd is a company registered in Malta and authorized by the Malta Financial Services Authority as a financial institution in terms of the Financial Institutions Act - Chapter 376, Laws of Malta (company registration number C75580).

As a payment services provider, OpenPayd services corporate entities in order to assist them in receiving payments from their customers and other counterparties. In the current instance, OpenPayd has only ever provided its services to the Merchant, which is a company registered in the Cayman Islands and operates the platform known as www.blockfills.com.

⁸ P. 72 – 76

The Merchant, as a separate corporate entity, may, in turn, enter into their own onward commercial relationships. However, ultimately, OpenPayd has no control over any onward commercial relationships entered into between the Merchant, and any third party/ies, including but not limited to the Complainant. Ultimately, OpenPayd can only reiterate that on its part, it has only ever serviced the Merchant and has never provided services to the Complainant.

We also understand that the essence of the Complainant's concerns relates to their understanding that the debit from their account, after the successful recall, was initiated by OpenPayd without their knowledge, authorization, or consent. This did not actually take place.

OpenPayd respectfully submits that the complaint is based on an incorrect understanding of OpenPayd's role in the transaction in question and of the manner in which international payment transactions are processed.

The Complainant alleges that following the return of funds to its account, after a purportedly successful recall of an international wire transfer, the same amount of EUR 63,969.00 was subsequently debited from its account without its knowledge, authorization, or consent. The Complainant further alleges that this subsequent debit was initiated by OpenPayd through its correspondent banking arrangements.

It is important to clarify that OpenPayd has no ability, authority, or mechanism by which it can debit funds from a bank account held by a third party at another financial institution. The account from which the payment originated was held by the Complainant with Mashreqbank PSC in Dubai, United Arab Emirates. OpenPayd has no relationship with that account, no access to it, and no authority to initiate debits or otherwise move funds from it. Any debit or movement of funds from the Complainant's account could only have been affected by the institutions participating in the payment chain and in accordance with their internal processes and the instructions available to them.

OpenPayd's involvement in the matter commenced only upon receipt of funds through the banking system. OpenPayd's records confirm that on 2 February 2026 it received a payment in the amount of EUR 63,969.00 into virtual IBAN MT29CFTE2800400000000005050133.

This virtual IBAN had been issued by OpenPayd to its corporate client, Reliz Limited, as part of the payment services provided by OpenPayd to that client.

Following receipt of the complaint, OpenPayd conducted a review of its internal records, the information provided by the Complainant, and the transaction data available from its banking partner. This review established that the payment originated from the account of (Complainant) held with Mashreqbank PSC under IBAN AE6703.....1451. The payment was routed through Bank of America, London (BIC: BOFAGB22XXX) before ultimately being received by OpenPayd on behalf of Reliz Limited, into a master account in the name of Reliz Limited.

The information available to OpenPayd further demonstrates that the payment received on 2 February 2026 corresponded to the original payment instruction initiated by the Complainant on 23 January 2026. In particular, both the SWIFT message from Mashreqbank PSC provided in the complaint and MT103 containing the transaction data obtained from OpenPayd's banking partner contain the identical End-to-End Identifier: 033DBFC260232630

The matching End-to-End Identifier is significant because it establishes that the payment received by OpenPayd was not a new or separate transaction, but rather the same payment originally instructed by the Complainant. The proof of payment relating to the transaction in question and the corresponding MT103 provided by OpenPayd's banking partner are attached to this correspondence. OpenPayd has no record of receiving any other payment relating to this transaction, nor any subsequent transfer corresponding to the amount in question.

The Complainant's position appears to be that the payment was initially rejected by the intermediary bank, that a recall request was subsequently submitted by Mashreqbank PSC and successfully processed, and that the funds were temporarily returned to the Complainant's account before being debited again. OpenPayd is not in a position to verify these assertions, as they relate to events occurring between the Complainant, its account servicing institution, and the intermediary bank involved in the payment chain.

However, OpenPayd can confirm that it has never received any SWIFT recall request, cancellation instruction, payment return request, MT192, MT199, MT292, or any other communication through the established banking channels in relation to the disputed payment. As of the date of this submission, OpenPayd's records do not show any request from Mashreqbank PSC, Bank of America, or any other authorized financial institution seeking the return, cancellation, or reversal of the payment in question.

Furthermore, OpenPayd's records indicate that only one payment relating to this transaction was received. There is no evidence within OpenPayd's systems of any earlier attempt to credit the funds, any rejected incoming payment, any recalled payment, or any duplicate payment. From OpenPayd's perspective, its involvement in the transaction commenced only upon receipt of the funds on 2 February 2026.

Consequently, while the Complainant may have experienced account movements that it believes were inconsistent with the status updates received from its bank, those events occurred entirely outside OpenPayd's control and visibility. OpenPayd is not in a position to determine whether the recall request referred to by the Complainant was in fact successfully completed, whether it was subsequently reversed, whether settlement had already occurred notwithstanding the status communicated to the Complainant, or whether any other operational event took place between the sending bank and the intermediary bank. Such matters fall within the knowledge and control of the institutions that handled the payment before it reached OpenPayd.

In summary, the evidence available to OpenPayd demonstrates that it received a single payment corresponding to the original transfer instruction initiated by the Complainant on 23 January 2026. OpenPayd did not initiate, authorize, request, or otherwise cause any debit from the Complainant's account and had no ability to do so. The alleged unauthorized debit occurred outside OpenPayd's systems and outside its control. Moreover, OpenPayd has never received any recall request or cancellation instruction in relation to the payment through the established banking channels. Accordingly, OpenPayd respectfully

submits that there is no factual or legal basis upon which liability for the alleged loss can be attributed to OpenPayd.

OpenPayd's Services

OpenPayd is a provider of payment services registered in Malta under company registration number C75580 and is licensed and regulated by the Malta Financial Services Authority as a financial institution in terms of the Financial Institutions Act (Chapter 376, Laws of Malta).

OpenPayd provides payment services to its corporate clients (inter alia the Merchants) in order to assist them in sending, receiving and reconciling payments. In order to enable its clients to do this, OpenPayd makes payment accounts available to its corporate clients upon agreed terms of use.

OpenPayd has visibility over these transactions solely in its capacity as receiving PSP (on behalf of Reliz Limited) and the provider of payment reconciliation services to Reliz Limited. OpenPayd's role in the transaction was to receive the funds sent to its client (Reliz Limited) by the Complainant into its client's (Reliz Limited) payment account."

Reply on eligibility of the Complaint⁹

"We are of the view that the customer is not an eligible customer, for the reasons set forth below.

Pursuant to article 11(1)(a) and article 19(1) of Chapter 555 of the Laws of Malta (the "Act"), the Arbiter must deal with complaints filed by eligible customers. If the Complainant does not qualify as an eligible customer of OpenPayd, then the Arbiter lacks jurisdiction to adjudge the Complaint.

At the outset, OpenPayd states again that it does not provide a(n) (bank) account, payment or investment service to the Complainant.

The definition of 'eligible customer'

Art 2 of the Act provides the following definition for the terms "eligible customer":

⁹ P. 76 – 78

shall include:

- (a) a customer who is a consumer of a financial services provider;***
- (b) a customer to whom the financial services provider has offered to provide a financial service;***
- (c) a customer who has sought the provision of a financial service from a financial services provider;***
- (d) the lawful successor in title to the financial product which is the subject of the relevant complaint;***
- (e) consumer associations; and***
- (f) voluntary organisations:***

...

None of the above paragraphs (a)-(f) apply to OpenPayd, as shall be proved throughout the proceedings. The Complainant has no contractual relationship with OpenPayd. OpenPayd provides payment processing services exclusively to its corporate customer, the Merchant. The Complainant is a customer of the Merchant, not of OpenPayd.

OpenPayd can also confirm that it has never “offered to provide a financial service” (including, for the avoidance of doubt, any account, payment or investment service) to the Complainant (nor, as OpenPayd only provides its services to corporate clients, could OpenPayd ever have provided any such services to the Complainant) nor has the Complainant “sought the provision of a financial service from OpenPayd”.

Similarly, we would like to make exceptionally clear that the basis on which a number of the Complainant’s concerns seem to be based (that OpenPayd initiated an unauthorized debit from their bank account) is similarly entirely incorrect.

As there is no contractual relationship between OpenPayd and the Complainant, the Complainant cannot be regarded as an eligible complainant in terms of Article 2 of the Act.

Furthermore, with respect to the following proviso in the definition of ‘eligible customer’:

Provided that in the case of suspicious fraudulent payment transactions involving financial services providers, the victim of fraud exhibiting immediate, genuine and legitimate interest shall be deemed to be an eligible customer of any one of the financial services providers involved in the suspicious fraudulent payment transaction and this proviso shall be applicable with effect from 1st October 2025;

OpenPayd maintains that this proviso is likewise inapplicable and that the Complainant cannot be regarded as an eligible complainant under Article 2 of the Act, on the basis that no suspicious fraudulent payment transactions occurred.

Therefore, the complainant should not be deemed to be an ‘eligible customer’ of an entity with which the complainant has never contracted, never communicated, and from which s/he has never sought services.

OpenPayd respectfully submits that the Arbiter uphold OpenPayd’s preliminary plea and declare that he does not have the competence to deal with this Complaint.”

Finally, OpenPayd stated that any recovery request should originate from the Complainant’s payment service provider and be transmitted through appropriate inter-bank channels, as confidentiality and data protection obligations render them unable to disclose transaction documentation to unverified third parties.

Preliminary Plea re non-eligibility of the complaint

Article 22(2) of 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**. ”¹⁰*

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.”

By means of an amendment enacted by ACT IX of 2025 effective as from 17 April 2025, a proviso has been added to this definition stating:

“Provided that in the case of suspicious fraudulent payment transactions involving financial services providers, the victim of fraud exhibiting immediate, genuine and legitimate interest shall be deemed to be an eligible customer of any one of the financial services providers involved in the suspicious fraudulent payment transaction and this proviso shall be applicable with effect from 1st October 2025;”

The Arbiter, before proceeding to hear evidence on the merits of the case, has to primarily decide whether the Complainant is in fact an **eligible customer** in terms of the Act. The Arbiter would not be competent to adjudicate the complaint unless the Complainant qualifies as an **eligible customer**.

Decree

By means of a decree dated 21 July 2026,¹¹ the Arbiter requested Complainant to make written submissions to argue against upholding the preliminary plea on non-eligibility raised by OpenPayd in their official reply to the Office of the Arbiter for Financial Services (OAFS).

¹⁰ Article 11(1)(a)

¹¹ P. 85

In their reply of 22 July 2026,¹² Complainant argued that whilst it was true that they did not maintain a payment account with OpenPayd, the proviso relating to payments effected after 1 October 2025 renders them an ‘eligible customer’ as the case involves a suspicious payment transaction.

They argued that ‘fraud’ may be proved during the hearings on the merits of the case and need not be proved at the preliminary stage.

They concluded:

“The Complainant has an immediate, genuine and legitimate interest in the disputed transaction. OpenPayd was involved in the payment chain and admits receipt of the relevant funds. The complaint should therefore proceed to examination on the merits, or at minimum the preliminary plea should be reserved pending targeted payment-chain disclosure.”¹³

By means of a further decree dated 27 July 2026,¹⁴ the Arbiter reserved his position on eligibility and agreed to start hearing the merits which could give further information related to eligibility or otherwise.

Hearing of 14 September 2026¹⁵

At the start of the hearing, the Arbiter reiterated that he is reserving his position on the preliminary plea regarding non-eligibility of the complaint.

During the hearing, the following facts emerged which have relevance to the issue of eligibility:

1. Complainant had a relationship with Reliz prior to the payment subject of this complaint, but these payments were effected through a different channel. Reliz had requested to make this particular payment through OpenPayd as they had terminated the relation with the previous intermediary (Banking Circle)¹⁶.
2. When making the original payment on 23 January 2026, Complainant’s intention was for the payment to reach the account of Reliz¹⁷.

¹² P. 87 – 88

¹³ P. 88

¹⁴ P. 90

¹⁵ P. 91 - 101

¹⁶ P. 96

¹⁷ P. 98

3. It was confirmed that the funds were effectively credited to the account of Reliz with OpenPayd as indicated in the payment order.¹⁸
4. It was confirmed that Reliz declared bankruptcy after the funds had been credited to their account with OpenPayd.
5. Initially, Complainant was only seeking information from OpenPayd on the status of the transfer, but eventually they shifted their claim to full restitution of the transferred funds.
6. Mashreq Bank has refused to refund the funds which were re-transferred without their authority, after they were initially refunded, but Complainant has not opened a case against Mashreq Bank as they did against OpenPayd.

Analysis and observations

Following the hearing, the Arbiter considers that he has enough information to give a decision on the eligibility of the complaint.

It is evident that OpenPayd's involvement in this case was only as an intermediary payment institution that executed the payment by crediting the funds to the account of Reliz as instructed in the transfer payment.

No evidence has been provided that OpenPayd played any part in having the funds re-transferred after they were initially credited back to the Complainant's account with Mashreq Bank.

No evidence has been provided that OpenPayd were in any way aware that the remitter wanted to recall the funds before they were credited to the account of Reliz as instructed in the payment order.

Complainant admitted that, apart from OpenPayd being identified as the beneficiary's (Reliz) payment institution, Complainant had no relationship whatsoever with OpenPayd.

The fact that OpenPayd was the recipient institution does not make the remitter a client of theirs, as banks and payment institutions often act as intermediaries between the remitter and the beneficiary of the IBAN specifically identified in the payment orders.

¹⁸ P. 100

The Arbiter has considered whether the proviso related to payments effected after 1 October 2025 applies in this case to render Complainant an eligible customer as defined in Article 2 of CAP. 555 of the Laws of Malta.

The proviso states:

“Provided that in the case of suspicious fraudulent payment transactions involving financial services providers, the victim of fraud exhibiting immediate, genuine and legitimate interest shall be deemed to be an eligible customer of any one of the financial services providers involved in the suspicious fraudulent payment transaction and this proviso shall be applicable with effect from 1st October 2025;”

For this proviso to apply, Complainant had the onus of proof that this was a case of fraud in which they had an immediate, genuine and legitimate interest.

The Arbiter considers that no such proof was provided. On the contrary, the evidence shows that there was a regular commercial relationship between Complainant and Reliz where several transactions had taken place between them before the payment subject of this complaint.

It has been admitted that, in originating the transfer payment, Complainant had every intention for the payment to reach the account of Reliz, where it was effectively credited upon receipt of funds by OpenPayd.

The loss incurred was admitted as being the result of the bankruptcy of Reliz.

Bankruptcy represents a normal commercial credit risk that parties take when they trade with counterparties. It does not fall in the same category as fraud.

It is indicative that, whilst Complainant has not pursued any claim against Mashreq for allowing the re-transfer to go through without their authorisation, which they contended was necessary, they are seeking full compensation from OpenPayd and even contend that OpenPayd had taken the initiative to trigger such re-transfer (something OpenPayd categorically denied).

Decision

The Arbiter therefore does not accept that the Complainant is an ‘eligible customer’ of the Service Provider by virtue of the definition of eligible customer as was applicable for payments transacted after 1 October 2025.

For reasons explained above, the complaint is being dismissed as, in terms of Article 22(2) of the Act, the Arbiter does not have competence to hear its merits and to adjudge it.

This is without prejudice to any rights the Complainant may have to take its case before a court or tribunal competent to hear and adjudge it.

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