



Fintech Errors That Turn Into Professional Indemnity (PI) Claims

Most payment claims aren't breaches. They're quiet mistakes. And whether you recover depends on your PI policy.

Wrong Account Number

Funds land in the wrong account. The money can't always be recovered, especially across borders. The customer demands reimbursement. The provider is liable for recovery.



Recovery depends on whether the recipient cooperates—often they don't



PI coverage hinges on whether the error qualifies as "professional services" under the policy



Some policies exclude errors caused by customer-provided information, shifting liability back to the provider

The PI policy decides if this loss stays with the provider or transfers to insurance.



Wrong Amount

A decimal point error or system glitch sends \$100,000 instead of \$10,000. The customer demands recovery. The provider's system shows the transaction posted correctly.



Recovery depends on whether the overpayment can be retrieved from the recipient



PI coverage typically covers defense costs, but sub-limits on consequential loss cap total recovery



Many policies exclude deliberate acts, leaving accidental overpayments partially or fully uninsured

Most claims are quiet mistakes. Policy language decides coverage.

Wrong Currency or Conversion Error

A currency conversion error costs the customer thousands. The exchange rate was applied incorrectly. The customer discovers the discrepancy and disputes it.



Currency conversion errors are common in cross-border payments but coverage varies by policy form



Territorial scope determines whether the policy covers losses in specific jurisdictions



Sub-limits on currency movement losses often cap recovery below the actual loss incurred

Where PI coverage stops determines provider exposure.



Delayed or Duplicated Settlement

A settlement delay leaves funds in a clearing account longer than expected. Or a system error duplicates the settlement entirely. Both create reconciliation issues and customer liability disputes.



Delayed settlements may trigger contractual penalties that PI policies explicitly exclude



Duplicated transactions create disputes over reversal costs and recovery responsibility



Late notification—failing to report the error within the policy window—voids coverage entirely

Timing and notification determine whether coverage applies.

Misapplied Refund or Chargeback

A refund gets applied to the wrong transaction. A chargeback dispute is handled incorrectly. The customer challenges the resolution. The provider faces both the operational error and the customer claim.



Refund and chargeback handling errors are leading PI claim triggers for payment providers



Deliberate acts and gross negligence are typically excluded—the line between error and negligence matters



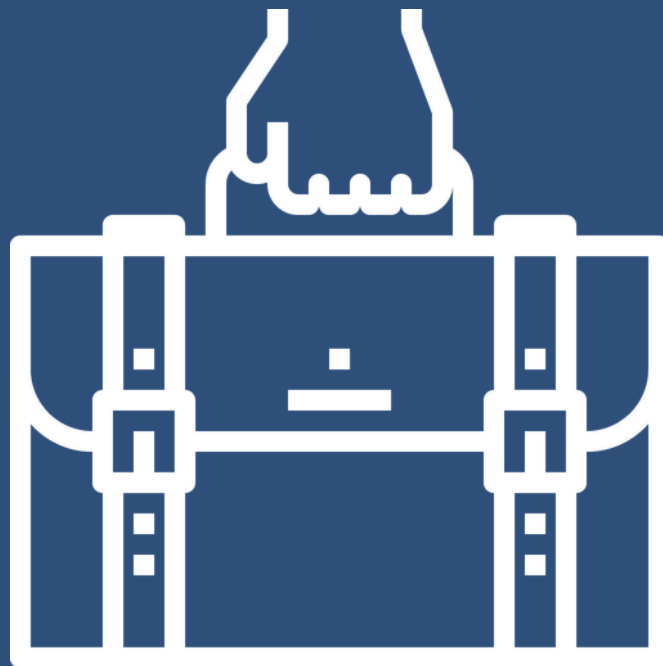
Whether contractual penalties are covered depends on how the policy defines "professional services"

Policy definitions determine what's covered and what's the provider's responsibility.



Where PI Coverage Stops

Operational errors are structural risk. Recovery depends on understanding policy boundaries before claims arrive. Most providers don't.



We help payment providers decode PI policies and map coverage gaps against operational exposure.

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