

The complaint

Mrs M complains that a payment she made to Western Union International Bank GmbH didn't reach the intended account.

What happened

In September 2023, Mrs M opened an account with Western Union and sent some money to what she believed was her account abroad. The money didn't arrive in her account and so she queried this with Western Union, and with the bank which held her account – I'll call this bank 'D' for ease of reference.

Western Union told Mrs M it had credited the funds to the account on the day the transfer was requested. But D told her no money had been received into her account.

Western Union initiated a trace of funds, giving Mrs M written confirmation that the payment had been made, as well as the tracking number. But Mrs M wasn't able to locate her funds using any of the information that had been supplied. Because of this, she complained to Western Union.

Western Union didn't uphold Mrs M's complaint. It maintained the funds had been successfully delivered and said it hadn't received any notification from D that the funds were being returned.

Dissatisfied, Mrs M brought her complaint to our service. Our Investigator didn't uphold the complaint. She said she couldn't find any errors on Western Union's part and the information she'd been given satisfied her that the payment had been processed correctly.

Mrs M didn't accept the Investigator's view and asked for an Ombudsman's decision.

She also asked whether there was a receipt from D which showed the money had been credited to her account. She said she'd received no email or phone message to let her know the money had arrived. Mrs M also said Western Union hadn't shared SWIFT details when D had asked for them. She asked to see the exchange between Western Union and D, including confirmation from D that it had received the money.

The Investigator put Mrs M's questions to Western Union. In response, it said it had carried out an external trace of funds with its bank partner and had received confirmation that the funds credited the account number Mrs M had supplied.

Once the complaint had been passed to me, I reviewed the file and noted a small difference between the account number on Mrs M's bank statements and the account number on Mrs M's payment request with Western Union. Querying this with both parties, it was realised that the account number entered belonged to someone other than Mrs M, meaning that somewhere along the line a mistake had been made in entering Mrs M's account number.

Western Union said the transaction was made online, with all information being provided by

Mrs M. It said it doesn't retype any details of its customers' transactions. It added that Mrs M had consented and acknowledged that all information she'd provided was true and accurate, as per the terms of using its service.

Mrs M said she wouldn't have made the mistake. She said she'd been transferring money to her account for over 20 years and so it was highly unlikely that she had keyed in the wrong details. Mrs M said Western Union hadn't raised the possibility that an error of this nature had been made, but instead repeatedly told her the money had been credited to her account.

Mrs M said Western Union had never questioned the account number, nor had it shared all of the details of the transfer with her, or D, in order for the information to be checked.

Shortly after being made aware that the payment didn't go to the account Mrs M had intended, Western Union used its bank partner to attempt a recall of the funds from D, but it was unsuccessful. D told Western Union's bank partner that the funds had credited the account details provided. As a result, it wouldn't be returning Mrs M's money.

As the complaint remained unresolved, I proceeded with a provisional decision. It said:

It's not in dispute that the funds were sent to a different account than the one Mrs M had intended, so I've thought about where the initial mistake was likely to have been made.

Western Union has told me – and I have no reason to doubt what it has said – that its online payment request process doesn't involve the rekeying of any account information. Because of this, I'm persuaded the incorrect account information wasn't as a result of Western Union or its agents entering incorrect details.

The only other possibility presented to me is that the incorrect account number was entered by Mrs M. And I think this is the more likely explanation of the two possibilities, particularly as the difference between the intended account number and the account number the money went to is only two digits – with them having been entered the wrong way around. Mrs M's statement regarding the years she's been transferring money to her account doesn't persuade me the error lies with Western Union. If Western Union doesn't re-enter details, the only time the account number would have been entered into a system was by Mrs M, meaning it's more likely than not that the issue originated there.

Where a mistake has been made by the sender, the payment service provider – Western Union – should attempt to recover the money on a best endeavours basis. Neither Western Union or Mrs M realised the funds had gone to a different account to the one Mrs M had intended until around seven months after the payment was made. Western Union has confirmed its banking partner attempted to recover the funds from D shortly after being made aware of the issue, but was unsuccessful.

Western Union's terms state:

'If you have provided us with incorrect details for executing the Transaction, You may ask Us to assist You in recovering the money. We cannot guarantee such effort will be successful. We reserve the right to charge You a fee to cover Our reasonable costs for doing this.'

I'm minded to say Western Union has offered the level of support expected of it, and referenced in its terms, by tracing the payment and attempting to recall the funds.

And whilst I note there was a delay in Western Union's attempt to recall the funds, this was

due to the cause of the problem not being realised until some months after it occurred. And I don't think Western Union can be held solely to blame for no attempts being made to recover the funds from D's customer sooner. I'll explain why.

Mrs M told our service that Western Union didn't share all of the details of the payment despite her asking, but I disagree with this statement. I say this because Mrs M gave our service the correspondence she received from Western Union on 23 November 2023 which showed the account number that the payment was sent to. I think the incorrect account number could have been identified when that letter was received. And it's at this point D could have been made aware by either party, allowing it to act, and increasing the likelihood of the funds being returned. With that said, from the information I have on file, it doesn't look like D is willing to recall the payment due to it being credited to the account details provided, so I think it's unlikely an earlier attempt from Mrs M or Western Union would have made any difference.

Western Union knew the account owner had a different name to the one Mrs M originally entered, after being given the information by its bank partner. For data protection reasons, I wouldn't necessarily have expected it to have shared the account name with Mrs M, but I think it perhaps could have raised the general discrepancy with her. Had this been done, I think this may have put Mrs M on notice that there was an issue with the account information that had been entered. However this doesn't negate the fact that around the same time as this, Mrs M was given the account number the funds were sent to but didn't notice the discrepancy.

Western Union wouldn't have known the account name had nothing to do with Mrs M, but Mrs M would have known the account numbers were different. So, on balance, whilst I think Western Union could have done more, I don't think it was responsible for the funds not being pursued or recovered with greater efficiency. And, as mentioned, I don't think a different outcome would have been arrived at had Western Union acted sooner.

I've also thought about the information presented to Mrs M when she made the transaction. The Payment Service Regulations 2017 say the importance of providing the correct unique identifiers (i.e. the sort code and account number) should be explained to customers. That's because businesses typically use unique identifiers to process payments, rather than the name of the payee – which is not checked by most payment service providers.

Western Union has shown me the information presented to consumers when making payments online. I can't see that any such warning in line with the above features. Instead, Western Union has pointed to its terms:

'For transactions to a bank account or to a mobile phone Western Union will transfer the funds to the account identified by the Sender. In the event of an inconsistency between the holder of the account number (including mobile phone numbers for mobile phone accounts) and the name of the intended Receiver, the transfer will be credited to the account number provided by the Sender.'

Businesses must take reasonable steps to ensure their products and services are designed in such a way that avoids foreseeable harm to retail customers. In this case, whilst Western Union's terms would have warned Mrs M of the consequences of entering an incorrect account number, I might also have expected Western Union to have warned Mrs M at the point of payment in order to help her avoid foreseeable harm, such as a keying error.

But had it done so, I'm not persuaded matters would have unfolded differently. I say this because in Mrs M's correspondence with our service, she highlighted her confidence in entering her account number, and said she finds it unlikely that she would have made a

mistake. With that in mind, I don't think a prompt to take more care would necessarily have caused a greater degree of care to be taken in this particular case.

So, in summary, whilst it's unfortunate that Mrs M's payment didn't reach her account and hasn't been recovered, I don't think this was as a result of something Western Union did wrong. This is a lot of money for anyone to lose, so I can appreciate how distressing it must have been for Mrs M, but I'm currently of the opinion that I'm unable to direct Western Union to do more than it already has.

Mrs M didn't respond to my provisional decision. Western Union accepted my findings and had nothing further to add.

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.

Having done so, I see no reason to depart from my findings above. I say this because I've received no new information or arguments following the findings made in my provisional decision.

My final decision

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 30 September 2024.

James Akehurst
Ombudsman