

## **The complaint**

Ms D complains that Square up Europe Ltd trading as Cash App has declined to reimburse her £50 that she paid as part of a scam.

## **What happened**

On 26 May 2023, Ms D paid £50 to someone she met on social media for some goods that she ordered. After she didn't receive these goods she realised she'd been scammed. Ms D says that she informed Cash App while the payment was still pending with her main bank and so she thinks it should have been able to stop it from going through.

Cash App says Ms D isn't eligible for a refund as she authorised the payment and it was executed correctly. Adding that once a payment is completed it is unable to cancel or refund the payment.

When Ms D referred her complaint to our service, the investigator didn't uphold it. In summary the investigator said that Ms D had used a peer-to-peer electronic money transfer service and as she had authorised the payment she wasn't entitled to a refund in the circumstances.

Ms D didn't agree, she said the payment hadn't left her bank or been received by Cash App when she reported the issue so it should have reversed the payment in the circumstances.

The matter was passed to me for consideration by an ombudsman and I asked for some further information. Cash App confirmed that Ms D made the payment at 09:40pm and that it was 'cashed out' by the recipient at 09:47pm – only seven minutes later.

I issued my provisional decision on 12 April 2024 explaining why I didn't intend on upholding the complaint. Neither Cash App or Ms D have provided further comments and the deadline has now passed.

## **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'm not upholding this complaint, I'll explain why.

It isn't in dispute that Ms D authorised the payment here. Rather the focus is on whether Cash App ought to have done more in the circumstances given Ms D says she was scammed.

There are circumstances where in accordance with the relevant regulations and good industry practice, Cash App might be expected to identify the potential risk of fraud. Here, Ms D is disputing one relatively low value payment made through a money transfer service. There doesn't appear to be anything suspicious or unusual about the payment that ought to have given Cash App cause for concern. So, I don't think it would be reasonable to have expected Cash App to have identified that Ms D was at risk of being the victim of a scam. As

there is no clear reason to have expected Cash App to have intervened, I don't think it would be fair to conclude Cash App should reasonably have taken steps to prevent the payment.

Ms D says that she was supposed to receive the goods within two hours and when she didn't receive the goods she realised she'd been scammed. She then contacted Cash App with her concerns.

I understand Ms D says the payment was still pending with her main bank when she reported the matter, and so she thinks her bank or Cash App should have been able to stop the payment. The terms and conditions of Ms D's account explain that she can't revoke a payment instruction once it's received by Cash App. It also informed her that her payment had already been completed when she raised her initial concerns.

While the payment may have appeared as pending with her bank, the payment had already been approved (rather than declined) by her bank. Importantly, the funds had already been credited and withdrawn by the recipient before Ms D expected delivery or raised her concerns with Cash App. So, it couldn't have stopped the payment at that time and Ms D's funds weren't available to return to her.

So, for these reasons I don't think Cash App has acted unfairly in not reimbursing Ms D.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 20 June 2024.

Stephanie Mitchell  
**Ombudsman**