

The complaint

Miss K says MoneyGram International Limited hasn't assisted her in recovering an international payment that she asked it to make for her. She says she's lost out as a result.

What happened

Miss K used MoneyGram's payment services to send money to her mother in Morocco on 15 June 2023. She made the payment online from a card she held with another bank. The payment was sent by MoneyGram through its third-party payment processor.

When the funds hadn't appeared in the beneficiary's account, Miss K became concerned and contacted MoneyGram for help. She said she needed proof that the payment had been made to the account.

MoneyGram sent Miss K some information and directed her back to the beneficiary bank, but she says this was useless as the receiving bank couldn't find the payment. She contacted MoneyGram numerous times and says she didn't always get a response from its customer services department, which exacerbated the situation and caused her distress and inconvenience.

Eventually the matter was escalated as a complaint. MoneyGram issued a final response to say that it upheld the complaint but also said it was satisfied the payment had credited the account. Miss K asked us to take a look.

One of our investigators upheld the complaint after an investigation. She said she couldn't see MoneyGram had provided evidence to show the payment had reached Miss K's mother's account which was what it needed to do. She said the account statements showed no incoming payment had been received. She also expressed concern that MoneyGram should have done more to help Miss K when she had contacted it, which could have resulted in the payment being refunded. To settle the complaint, she recommended MoneyGram reimburse Miss K for the transfer, with 8 per cent interest. She also asked that it pay £150 compensation for the distress and inconvenience caused along with the transfer fee.

MoneyGram didn't accept the investigators conclusions, so the case was put forward for a decision. It maintained the transfer had been made in line with Miss K's instructions and no refund was due.

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.

Miss K made the payment herself online, without any involvement from MoneyGram. This means that she input the details herself. I've looked at the details both Miss K and MoneyGram have provided and these match the account statement. MoneyGram had an obligation to execute the payment transfer from A to B with due care and skill. But something went wrong along the way as the funds never credited the intended account. I say this

because, I've reviewed the recipient's account statements for this period and there's no corresponding incoming payment.

Miss K contacted MoneyGram whom she'd asked to send the payment for her. She was extremely concerned and looking for help. MoneyGram says it sent a request to its payment processor (a third party) which said that the payment had been successfully completed and there wasn't a record of it having bounced back, such that, it could facilitate a refund. I've thought about this, particularly in light of MoneyGram's own terms and conditions. These say,

“Upon Acceptance of a Transfer it becomes irrevocable. However, the Sender is entitled to cancel a Transfer if the Transfer has not yet been collected or received by the Recipient or credited into the Recipient's account. The Sender can request to cancel a Transfer via our Agent or via our customer service helpline. Where a Transfer is cancelled, we will only refund the Send Amount.”

The terms would suggest Miss K could cancel the transfer if it hadn't credited the account. But I can't see this MoneyGram suggested this to her in light of what she was telling it. There's no reason why MoneyGram couldn't have sought information to corroborate what Miss K was telling it (as we have). Crucially though, I don't find MoneyGram's evidence that the payment was complete is persuasive to show it actually credited the beneficiary's account and there's a key difference. I can see our investigator put MoneyGram to proof on this point. She also explained while what it had provided was evidence that the payment had been sent, it wasn't persuasive evidence to show it had reached the destination account and it's a view I share. Having weighed everything up, I can't exclude the possibility that Miss K would've got her money back had MoneyGram done more here, including pushing back requesting a trace be put on the funds, despite what its payment processor was saying. But due to the passage of time further review doesn't appear to be a viable possibility, and I don't think it's fair that Miss K should lose out. I'll say more about how this should be put right below.

In looking at the investigation, I note that MoneyGram's final response letter was also confusing. It initially said that it upheld the complaint under its “findings”. But then said the payment had been made. I don't think this was helpful.

I need to think about how this complaint should reasonably be resolved given these points. I am directing MoneyGram to reimburse the £2,000. Our investigator said there should also be a payment of 8 per cent interest, which is usually paid where a party has been deprived of the use of the funds. Miss K paid that money from an account she held elsewhere. Given I have concluded that MoneyGram should have facilitated the recovery and trace, I think it's only fair that the interest would need to be paid from that point. I have taken the date of 8 July 2023 as the starting point for this, allowing for a few days after Miss K raised her concerns.

Miss K has told us that this was a lot of money for her to lose and the customer service significantly contributed to her trouble and upset. So, I think MoneyGram should also recognise that. I think £150 payment along with a refund of the transfer fee is fair in the circumstances.

My final decision

My final decision is that I uphold this complaint and require MoneyGram International Limited to make the following payments to Miss K to settle this complaint:

- £2,000 for the transfer;
- transfer fee;
- 8% interest on the transfer from 8 July 2023 to the date the complaint is settled; and
- £150 for distress and inconvenience

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

Sarita Taylor
Ombudsman