

## **The complaint**

Mr R complains that MoneyGram International Limited closed his account without giving him an explanation. Mr R would like to know why the account was closed and to have his account reopened.

## **What happened**

Mr R had an account with MoneyGram. He used it to mainly transfer money to his family and friends. He had trouble accessing his account and learned his account had been closed immediately and with no notice. MoneyGram said Mr R's account was closed due to a violation of the terms but said they were unable to provide Mr R with detailed information.

Mr R was unhappy – he complained to our service and said while he hadn't experienced financial loss, he had suffered mentally. Mr R wanted his account reopened and wanted access to his transaction history.

Our adjudicator looked into the complaint. He said MoneyGram were entitled to close the account, but he hadn't seen enough to satisfy him that they were fairly complying with their terms by closing it immediately. He thought Mr R should have been given notice and asked MoneyGram to pay £50 compensation for the inconvenience and provide Mr R with access to his transaction history.

MoneyGram responded. They provided Mr R with information on how he could access his transaction history but didn't agree they should pay compensation as they say they were acting in line with their internal policies.

As an agreement couldn't be reached, the complaint has been passed to me.

## **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.

I'll start by setting out some context for the review of Mr R's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. Having looked at the evidence I am satisfied that this is what MoneyGram was doing when they reviewed Mr R's account.

It's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, account facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a financial institution must keep a customer or require them to compensate a customer who has had their account closed. However, they must ensure they comply with the terms and conditions when closing an account.

I've carefully considered the terms of the account which Mr R agreed to when he opened his account with MoneyGram. Section 2.11 explains the circumstances on when MoneyGram may close the account immediately. The specific terms include that MoneyGram can *"without notice....terminate or suspend your access to your Profile at any time, including without limitation, if:*

- (a) You attempt to Transfer or charge funds from a credit or debit card that does not belong to you or which has expired....;*
- (b) Your financial institution attempts a charge back on a Transfer....;*
- (c) You provide incorrect or false information about yourself, your debit or credit card details or about a Recipient;*
- (d) You attempt to tamper, hack, modify or otherwise corrupt the security or functionality of the Service;*
- (e) We receive conflicting claims regarding ownership of, or the right to withdraw funds from a debit or credit card account;*
- (f) You have breached a term or condition of this Agreement, or any representation or warranty that you make under this Agreement is false;*
- (g) We determine that your Profile is inactive;*
- (h) We believe that the Transfer may expose us to action from any government or regulator."*

Based on the confidential information and evidence MoneyGram has shared with our service, like our adjudicator, I can't fairly agree that Mr R has breached any of the above terms. Therefore, I can't reasonably say MoneyGram have acted appropriately when closing Mr R's account without notice.

Term 2.12 states; *"may without liability to you, terminate or suspend your access to the Profile at any time and for any reason by giving you 30 days' notice."*

Based on the full circumstances of this complaint, I consider 30 days' notice would have been more appropriate.

### **Putting things right**

Mr R has explained he didn't suffer any financial loss when MoneyGram closed his account – but he did say the closure caused him mental stress. As I've found that 30 days' notice would have been more appropriate, I do recognise the immediate closure would have had an impact on Mr R. He said he uses the account to send his own money to relatives, so for that facility to be immediately stopped with no legitimate reason would have been worrying. Therefore, I consider £50 compensation fairly reflects the inconvenience caused to Mr R.

I recognise Mr R wants his account reopened, so he'll be disappointed by my decision. But I've explained above MoneyGram are entitled to decide who they provide account facilities to. So, I can't reasonably ask them to reopen Mr R's account.

### **My final decision**

For the reasons I've explained above, I uphold this complaint. To put things right, MoneyGram International Limited should pay Mr R £50 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 24 February 2023.

Hayley West  
**Ombudsman**