

The complaint

Mr L complains that Western Union International Bank GmbH delayed his international money transfer causing him expense, inconvenience and confusion.

What happened

Whilst abroad Mr L was robbed and needed to pay to tow his rental car as it was at risk of theft. He instructed an international money transfer and said Western Union states these are eligible to banks in the country in 'Real Time'. Mr L understood this to mean transfers would go through pretty much instantly regardless of whether it is a weekend (it was a Saturday). But he said payment didn't go through until the following Tuesday - 72 hours after he needed it, causing him to pay towing charges twice, as he also had to get the cash out to transfer.

Mr L said Western Union has a disclaimer which says, 'Real Time' transfers are available to a list of banks, and for other banks funds will generally arrive on the same banking day for transfers sent before 2.35 pm Eastern Time. Mr L understood the terms state that other factors may cause transfers to be delayed, and there may be factors beyond its control, but he said these exclusions meant the service shouldn't be sold as a 'Real Time' transfer.

Mr L said he asked Western Union to cancel the transfer, and complained within six hours of his transfer request. He said he was initially told Western Union had no way of stopping it going through, but another of its advisers said it was being put on hold and wouldn't go through. He said that two days later it went through. Mr L described this as a complete mess.

In its response to Mr L's complaint Western Union said the transaction was deposited to the receiving bank with an expected settlement date of 8 May 2023 and referred to its payment confirmation letter. It said posting times vary depending on the receiving bank's policy 'as it requires a clearing period of the funds being sent from the date given... It's always given to wait within 1-2 business days from the settlement date to see the funds on the account'. Western Union said funds may be delayed or unavailable depending on certain factors as set out within its legal disclaimer and terms and conditions.

Western Union said Mr L's transfer wasn't immediately released as the Digital Review Team held it for its validation process and to protect customers against possible fraud, but once passed the transfer was released the same day. Western Union said it didn't and couldn't cancel the transaction as it was already completed when it received Mr L's refund request.

Mr L wasn't satisfied with Western Union's response and referred his complaint to our service. He said the lost cost of the transfer was about £130, with other call costs and stress. Our investigator didn't recommend that the complaint be upheld. He said Western Union acted within its terms and conditions which state 'funds will generally arrive on the same banking day'. He said the transfer took place on a Saturday, which isn't a banking day, but the funds arrived on Monday, the next banking day.

Mr L wasn't happy with this outcome and requested an ombudsman review his complaint. He said the terms are clear that, 'funds will generally arrive in the account on the same banking day' and that applies to non-banking days as it only mentions holidays. He said how was he supposed to know 'Real Time' is a 48-hour service, not operating on weekends.

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.

Mr L is unhappy that his urgent transfer wasn't carried out in 'Real Time' as promised by Western Union and they shouldn't promote it this way. 'Real Time' is a somewhat vague measure for an international transfer that can be beset by the issues set out within Western Unions' terms and conditions. Considering the wide variety of possible factors that can affect the speed of a transfer, Western Union is effectively only promising that it will do all in its power to ensure the transfer takes place in 'Real Time'.

We are an informal complaint handling body and not the financial regulator and so it is not our role to tell Western Union to change or clarify its terms, as Mr L has requested. In any event, I don't agree with his point that the issues listed cause the contract for a transfer to be imbalanced and unfair, though it certainly allows for delays to impact the contract without Western Union being liable. But those causes are generally outside of Western Union's control, and I think would be common problems with a transfer carried out by any business.

Western Union's transfer service is intended to operate very speedily and given the strong competition in the money transfer business I don't doubt its commitment to processing transfers in the shortest possible time. Western Union said it understood the urgency of Mr L's transaction and the feelings he has expressed about the delay. Its terms state, 'funds will generally arrive on the same banking day,' and this would indicate that a transfer may well not be completed on a non-banking day, not just a holiday. I think it would help if Western Union made this clear.

I've looked at what both parties have said about the transfer and Western Union's records. I can see that Mr L contacted Western Union to make the transfer on Saturday 6 May 2023, and enquired later that day about the status of his transfer, and was told it was pending validation. He asked for a refund on 7 May and was told that wasn't possible. Nevertheless Western Union asked for a rejection of the transfer but the receiving bank in Mr L's country confirmed the transfer funds were deposited on Monday 8 May.

I can see that Western Union held the transfer for a few hours for validation by its Digital Review Team. Western Union is required by regulation to take steps to protect customers and accounts against possible fraud, and its actions were in common with what we would expect to see. Its records show that the transfer was then passed and released the same day. And so I don't think Western Union was responsible for the delay.

I think the investigator is correct to say that had the transfer been requested on a normal banking day it is much more likely that it would have completed in 'Real Time'. I'm not sure how Mr L was meant to know this and better communication from Western Union might have helped him. However, I haven't found that Western Union has made any mistake in the transfer process or acted outside of the terms and conditions it put forward.

From what I have seen, the recipient bank didn't process the funds until the next banking day, Monday 8 May 2023. This means the delay was the fault of the receiving bank rather than Western Union's. I don't think Western Union could stop the transfer once instructed and so any information provided to Mr L during the transfer would not have had an impact on the final outcome.

Western Union suggested to Mr L an alternative means by which he could funds sent to be collected by his receiver from Western Union's 'agent location'. This method sounds more straightforward, but would also be subject to the same validation process and potential delay by the receiving bank.

Although I haven't found evidence to show that Western Union mishandled Mr L's transfer of funds I can well understand his frustration at the time taken and the uncertainty over whether

or not the transfer would complete. I also sympathise with him for the traumatic experience of being robbed.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 March 2024.

Andrew Fraser
Ombudsman