

## **The complaint**

Mr E complains MoneyGram International Limited ("MoneyGram") closed his money remittance account without explanation nor notice.

## **What happened**

Money Gram blocked Mr E's money remittance account shortly after he'd sent a payment to an acquaintance overseas. Mr E says he uses MoneyGram's services to send money to friends and family overseas who need his help. He says he has no other way of sending money in this way.

Unhappy with MoneyGram's actions, Mr E complained. MoneyGram didn't uphold his complaint, and in short said:

- Because of MoneyGram's legal and regulatory obligations it reviews its customers activities and may put restrictions on accounts because of this. Mr E is currently restricted from using MoneyGram's services and it can't give him an explanation
- When legitimate transactions are disrupted in this way, MoneyGram hope its customers understand that it has done so to protect them

Mr E referred his complaint to this service. One of our Investigator's looked into Mr E's complaint – and they recommended it be upheld. In summary, they found:

- MoneyGram hasn't provided enough information to show the actions it took in blocking and closing Mr E's account in the way it has is fair
- So MoneyGram should remove the restrictions on Mr E's account, including any adverse information it holds about him, and pay him £100 compensation for the distress and inconvenience it caused

Mr E accepted what our Investigator said. MoneyGram provided more information to our Investigator to explain why it had restricted and closed Mr E's account.

As there was no agreement, this complaint has now been passed to me to decide.

## **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've decided to uphold this complaint in part. I'll explain why.

As a regulated Payment Service provider in the UK, MoneyGram must take certain actions in order to meet its legal and regulatory obligations. MoneyGram is required to carry out ongoing monitoring of an existing business relationship. That sometimes means MoneyGram needs to restrict, or in some cases go as far as closing, customers' accounts.

MoneyGram has explained and provided some information as to why it decided to restrict Mr E's account. I would however expect it to send in more compelling and conclusive evidence to support what it said. That being said, I'm persuaded it has shown me enough information to show it acted properly in reviewing and initially restricting Mr E's account.

But MoneyGram later closed Mr E's account or to be accurate, has stopped him from using its services altogether. Given what MoneyGram has told us about its reasons I'm not satisfied that what it has done here is proportionate. I wouldn't expect a financial business to prevent its customer from using its services because it thinks this best protects them in the circumstances of this complaint.

So because of this, I'm satisfied MoneyGram has acted improperly in not allowing Mr E to use its services permanently – especially as its concerns don't relate to him. MoneyGram should therefore allow Mr E to use its money remittance services. If MoneyGram has concerns about any singular payment, it should be reviewed on its merits.

Mr E would like an explanation for why MoneyGram acted in the way it did. But MoneyGram isn't under any obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information MoneyGram has provided is information that we considered should be kept confidential.

Mr E says he's been greatly inconvenienced as he can't send money to friends and family – and he doesn't have any other means to send funds abroad. Having given this some thought, I'm satisfied that £100 is fair compensation for the distress and inconvenience he's suffered because of what MoneyGram has done wrong. Though I accept it's likely Mr E could find and use another similar service provider.

### **My final decision**

For the reasons above, I uphold this complaint in part. MoneyGram International Limited must now permit Mr E to use its money remittance services and pay him £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 15 March 2024.

Ketan Nagla  
**Ombudsman**