

The complaint

Mr P complains MoneyGram International Limited provided him with poor service and unfairly closed his account.

What happened

The Investigator has set out the circumstances of Mr M's complaint in detail already so I will only provide a summary of the key points here.

MoneyGram decided to immediately close Mr P's account on 19 May 2023. Mr P was abroad at the time and couldn't access funds. MoneyGram told Mr P during phone calls and in written correspondence that he could use its agent locator services if he needed to make payments. Mr P tried to do this, but as his account had been closed, he couldn't access funds.

MoneyGram told Mr P it was reviewing his account due to suspicious activity, and it would make a decision about the account within two working days. MoneyGram then told Mr P its decision would take 15 working days. Mr P says he received conflicting and confusing information.

Mr P raised a formal complaint with MoneyGram. He said he had to use his debit card as MoneyGram closed his account. He also said he spent time going to different agent service locations, which was due to incorrect information from MoneyGram. Mr P also says he defaulted on a mortgage repayment as he couldn't access his account.

Mr P also highlighted the impact MoneyGram's poor service had on him, he said he asked for contact by phone as he is dyslexic. Mr P says MoneyGram made no reasonable adjustments in how it communicated with him, which is a contravention of the Equality Act 2010. Overall, Mr P says MoneyGram's poor service caused him significant distress and inconvenience. MoneyGram issued responses on 26 May, 13 June and 15 June 2023 addressing Mr P's concerns. In summary, MoneyGram said it had acted reasonably and in line with its regulatory obligations and the account terms and conditions.

Mr P remained unhappy with MoneyGram's review of his complaint and referred it to our service. An Investigator reviewed the complaint and made the following recommendations:

- Pay Mr P a total of £500 for the overall trouble and upset caused; and
- Reimburse £63.15 which are the charges Mr P paid using his debit cards whilst abroad.

Mr P accepted the recommendations. As MoneyGram disagreed with the recommendations, the complaint has been passed to an ombudsman for a final decision.

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.

Firstly, I am sorry to see the issues Mr P has experienced with his MoneyGram account. It's clear this has caused considerable stress and inconvenience for Mr P.

The starting point for Mr P's complaint is MoneyGram's decision to close his account. I understand Mr P was abroad at the time, and this had a significant impact on him.

However, businesses like MoneyGram will have processes in place for monitoring accounts in order to comply with its legal and regulatory obligations. This means it's allowed to block an account to review it at any time. MoneyGram is also able to close accounts immediately in certain situations. MoneyGram hasn't told this service the reasons why Mr P's account was closed in this way. However, I can see in its contact with Mr P it says it was closed due to suspicious activity. Mr P says MoneyGram hasn't elaborated on this, and I understand his frustration with this. However, MoneyGram doesn't need to give further details to Mr P.

But although MoneyGram is under no obligation to provide further details to Mr P about the closure of his account, it should give this service enough information so that we can decide if its actions were in line with its obligations, terms of account, and that it has acted fairly and reasonably in doing so. Without this information it is difficult to make a full and fair assessment of the complaint.

Regardless of MoneyGram's reason for the immediate closure of the account, it is clear from Mr P's account of his experience and the timeline of events that the service provided to Mr P fell below a reasonable standard. I will explain why.

Mr P was told he could use agent service locations to make payments from his account, even though it was closed. This meant Mr P made unnecessary trips to these locations. Mr P's expectations about timeframes for the review of his account were also mismanaged as he was given conflicting information. MoneyGram's failure to provide clear and accurate information added to Mr P's distress and caused more inconvenience.

Mr P has referred to the Equality Act 2010 and says MoneyGram failed to make reasonable adjustments. For the purpose of this decision and from what Mr P has said about his conditions, I've assumed he meets the definition of disability under the Equality Act 2010 and therefore it's relevant law for me to consider in this case. I've also taken into account FCA guidance for firms on their fair treatment of vulnerable customers. I have listened to the calls Mr P had with MoneyGram, and I can tell these were challenging. Mr P explained his specific circumstances and communication needs to MoneyGram and I can't see that any adjustments were made to accommodate these. MoneyGram reiterated its process – mainly that its complaints department don't discuss complaints over the phone, but this didn't acknowledge Mr P's individual needs.

In this case, I think it's clear the service Mr P received increased his concerns with how MoneyGram was treating him. This also had an impact on Mr P's stress levels and mental health. Based on the evidence I have seen I am satisfied that MoneyGram failed to treat Mr P fairly or properly deal with his concerns.

Putting things right

To put things right, MoneyGram International Limited must:

- Pay Mr P £500 in recognition of the poor service it provided and the impact this had on Mr P.

- Reimburse Mr P the charges he incurred when he used his debit card between 18-29 May 2023. MoneyGram can deduct any charges Mr P would've incurred if he had used his MoneyGram account during this period, but it must specify and explain these charges to Mr P.

My final decision

For the reasons above, I uphold this complaint. MoneyGram International Limited must now put things rights as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 February 2024.

Chandni Green
Ombudsman