

The complaint

Mr M complains that he sent money using Remitly U.K., Ltd. that didn't arrive in the recipient's account.

What happened

Mr M says he sent money to a hotel in Kenya for just over £446 in September 2023. He says the hotel has confirmed it didn't receive the money and has provided a copy of its bank statement confirming that. Mr M says he also went to the recipient's bank, and it also confirmed it hadn't received the money. He says Remitly is responsible for the missing money and would like it refunded.

Remitly says it correctly sent the money and its partner business confirmed the hotel's bank received the money. It says Mr M should not have used the account for this purpose and says the service should be for sending money to friends or family.

Mr M brought his complaint to us, and our investigator didn't think Remitly made a mistake or acted unfairly. The investigator thought the evidence suggested the money has been correctly sent and received. And that Mr M had provided an account statement in Euros which was not the account the money had been sent to.

Mr M doesn't accept that view and in summary says the documents provided by Remitly are not official bank documents. He says the bank in question confirmed none of the hotels' accounts received the money.

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 have come to the overall view that I don't uphold this complaint. I appreciate Mr M will be disappointed by my decision and appreciate how strongly he feels about what took place. I hope it will assist him if I explain our role in this complaint. We are not a consumer champion. Our role is to look at a complaint and come to an overall view based on the available evidence which inevitably means one side to the complaint will potentially be dissatisfied with that decision. I hope Mr M appreciates that we can't require a bank or hotel in Kenya to provide any further information to us that may assist or investigate where the money may be.

The starting point for this complaint is Remitly's account terms and conditions which I am satisfied Mr M would have agreed to when the account was opened and again when he made the transaction. The agreement makes clear that the account should be used for sending money to people known and should not be used for business use. It is not clear if Mr M used the account for business use, as this appears to have been a holiday booking, but it was not used for sending money to people known to him as set out in the agreement. I'm satisfied that Mr M did not comply with the agreement which goes on to say that if it's not followed, that Remitly may not be able to get a sender's money back.

So, I'm satisfied that Remitly has made clear that where there is a breach of the agreement as here, that it may not be able to retrieve Mr M's money. I don't think Remitly has made a mistake or acted unfairly in those circumstances by not refunding the money. I make that clear before considering what action Remitly did take.

I have looked carefully at the documents Remitly has provided and I think on balance it has done what it can to find out where Mr M's money went. I think, based on the documents I have seen, that Remitly was reasonably entitled to conclude the money was received by the hotel's bank. I say that as it received confirmation the money had been received but in a different account due to the currency Mr M sent the money. I can't fairly hold Remitly responsible for what may or may not then have taken place in those circumstances.

I appreciate Mr M has provided a copy of the hotels bank statement for its Euro account. But I would not have expected this transaction to appear on that account statement, as the money was not sent in Euros. I can see that Mr M has the reference number and account details Remitly says it received and no doubt Mr M can check again with the hotel or bank about that specific reference.

I also appreciate Mr M suggests that reference number is a fake. I have no evidence to reach that conclusion and have not seen any record from either the bank or hotel that it has tried to locate the money using that reference.

Overall, I'm satisfied that it was Mr M decision to transfer money using Remitly in circumstances where it was contrary to the account agreement. I find Remitly has carried out reasonable and proportionate checks on the location of the money. And that it was reasonably entitled to conclude that the money had been correctly received based on the evidence it received. It follows that I can't fairly order it to refund Mr M the money. I find this now brings an end to what we, in trying to resolve this dispute informally, can do.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 9 May 2024.

David Singh
Ombudsman