

## **The complaint**

Mr G complains that Western Union Payment Services GB Limited (“Western Union”) delayed in returning funds to him after a transfer failed, causing him detriment.

## **What happened**

In November, Mr G transferred some money to Western Union for onward transfer to an account overseas. The recipient declined to accept the funds and returned them to Western Union. But Mr G says that Western Union delayed in returning the funds to him. When he referred the complaint to this service, he had been waiting more than two weeks. He said he was extremely panicked by what had happened and was having sleep problems as well as being impacted financially.

Western Union told Mr G that it had refunded the payment on 6 November and that he should contact his bank to see why the funds hadn’t been posted to his account. But, after the complaint was referred to this service, Western Union investigated further. It concluded that a partial refund of only £27.52 had been made to Mr G’s bank account but the rest of the funds (being the vast majority) had got stuck on its system due to a manual error. Western Union refunded £5,476.09 to Mr G in January. It apologised for its poor service and offered him compensation equivalent to £100, by way of a money transfer.

Mr G wasn’t happy with Western Union’s response. He said he still hadn’t received a full refund and was owed £27.52. He said the refund of this amount in November related to a separate transaction which had been attempted at the same time. He said that £100 wasn’t enough compensation because Western Union had withheld his money for more than two months. During that time, it told him it had refunded the money in full, which was incorrect and added to his stress and anxiety.

I issued a provisional decision on 2 May indicating my intention to uphold the complaint. Neither party has provided any further information for me to consider. I’m now making 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.

I haven’t seen anything which has changed my mind about the appropriate outcome here. So, I’m going to uphold the complaint in the way I indicated in my provisional decision. My reasons are set out again below.

Where the evidence is incomplete or inconclusive, as some of it is here, I’ve reached my decision on the balance of probabilities – that is, what I consider is most likely to have happened, in light of the evidence that is available and the wider surrounding circumstances.

The parties agree that Mr G requested two transfers on 6 November. One was for £5,503.61 and I’ll call this “Transfer 1”. The other was for £27.52 and I’ll call this “Transfer 2”. Transfer

1 is the main subject of this complaint.

It's agreed that Transfer 1 was returned to Western Union by the recipient. Western Union refunded £27.52 to Mr G straight away. His statement shows this happened on 7 November. Western Union has referred to different dates in relation to this refund. But I'm satisfied it was made on 7 November. The key point of difference between the parties is whether this refund related to Transfer 1 or Transfer 2.

Mr G says that both transfers were declined by the recipients, meaning that Western Union needed to refund both transfer amounts to him. But Western Union says that only Transfer 1 was declined. I've seen the email which Western Union sent to Mr G in November, confirming that Transfer 1 had been returned by the receiver's bank. If Transfer 2 had also been declined, I'd expect there to be an equivalent email confirming that. But Mr G didn't receive such an email and Western Union says that Transfer 2 was successful.

Mr G says he knows Transfer 2 was returned to Western Union because there would have been no other reason for it to refund that exact amount to his account. He also questions why Western Union would pay him that small amount in relation to Transfer 1 unless its books are in disarray. Western Union accepts the situation was unfortunate and misleading. It says it was down to human error and has provided the following explanation.

Western Union says that, when Transfer 1 was rejected by the recipient, it mistakenly processed Transfer 2 for a refund instead of Transfer 1. It says that's why the amount of Transfer 2 was refunded to Mr G at the time, even though Transfer 2 had been successful. Western Union says that, when it realised this mistake in January, it processed the refund of Transfer 1 to Mr G. But, in doing so, it deducted £27.52 to correct its earlier mistake.

Having considered the evidence from both parties, I think that Transfer 2 was successful. So, Transfer 2 didn't need to be refunded to Mr G. Transfer 1 wasn't successful and needed to be refunded to Mr G. So, the total amount which Western Union had to refund to Mr G was £5,503.61. I'm satisfied that this amount has now been paid to him in full. I don't find that any further refunds are due to Mr G.

But, due to Western Union's error, Transfer 1 was refunded to Mr G in two stages: £27.52 on 7 November and £5,476.09 on 10 January. I think the full amount should have been returned to him on 7 November. Western Union has agreed to pay Mr G interest on the delayed part of the refund, but I think there has been some confusion over the period this should cover. It should be for the period from 7 November until 10 January, on the amount of £5,476.09.

Mr G says he lost out financially due to the delay. But I haven't seen details of any other losses or costs he incurred, so I don't think Western Union needs to do anything about that.

Western Union accepts that it should pay Mr G some compensation for the poor service he received. Its mistake caused him worry and inconvenience. This was prolonged by its failure to recognise the mistake straight away and giving Mr G incorrect and inconsistent information. Mr G says he wants Western Union to be punished for stealing his money. But our awards aren't intended to punish a business; they aim to reflect the impact of its mistake and put that right - so far as possible. I don't find that Western Union was deliberately withholding Mr G's money. The situation was due to a mistake, which has now been corrected. In the circumstances, I think compensation of £100 would be fair. I think this should be paid to Mr G direct, rather than through one of Western Union's agents.

Western Union says it needs a recent bank statement and identification from Mr G in order to process this. Mr G says it already has his bank details from all the transactions and asks why he needs to provide identification at this stage. Western Union says it doesn't have

access to any confidential information like this which Mr G has provided previously because it is held securely by another department. It says it has very strict procedures in place and payments such as this require approval from various different departments. It says it won't be able to process a compensation payment without this information. It also confirmed that it doesn't issue cheques. I realise Mr G is unhappy about providing this information. But I don't think it's an unreasonable request considering Western Union's explanation. So, Mr G will need to provide these documents in order to receive the redress for this complaint.

### **My final decision**

For the reasons above, I uphold this complaint. Western Union Payment Services GB Limited should:

- pay compensation of £100 to Mr G; and
- pay him simple interest at 8% a year on £5,476.09 for the period from 7 November 2023 to 10 January 2024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 June 2024.

Katy Kidd  
**Ombudsman**