

## **The complaint**

Miss Y complains that Remitly U.K., Ltd. ("Remitly") won't refund money she lost when she fell victim to an employment scam.

## **What happened**

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns six transactions totalling approximately £7,900 which Miss Y made in February 2024 from her Remitly account. These were made in connection with a job opportunity which involved completing a set of tasks to boost ratings for hotels. Miss Y subsequently discovered that she'd fallen victim to a scam.

Miss Y's Remitly account was opened as part of the scam. It was explained to her that she needed to make deposits to complete some of the tasks. To facilitate this, Miss Y first transferred money from her account with a high street bank to an electronic money institution ("EMI"). It was then sent on to Remitly, an online remittance service, for onward transfer to payees abroad as instructed by her 'mentor'. At the time, Miss Y was led to believe that the payees would deposit the money into her account on the job site. But that turned out not to be the case.

## **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'd like to start by saying I'm sorry to hear about Miss Y's personal circumstances and how this incident has impacted her further. From what she's told us, I don't doubt that this has been a difficult period for her. I'd like to reassure Miss Y and Remitly that although I've only summarised the background above, so not everything that's happened or has been argued is detailed, I have read and considered their submissions in their entirety.

It's not in question that Miss Y was the victim of a cruel scam. And it's very unfortunate that she's lost a considerable sum of the money. But Remitly doesn't automatically become liable to reimburse her loss. In broad terms, the starting position at law is that an Authorised Payment Institution ("API") such as Remitly is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. And liability for an authorised payment rests with the customer, even where they are duped into making that payment. There's no dispute that Miss Y made the payments using her security credentials, and so they are authorised.

But in accordance with the law, regulations and good industry practice, a payment service provider including an API like Remitly should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on

information which ought reasonably to alert it to potential fraud or financial crime, it *might* be fair and reasonable to hold it liable for losses incurred by its customer as a result.

Remitly is a remittance service, and the type of payments remittance services are generally used for tends to be different to other payment service providers like banks and building societies. Often, the payment will be in a different currency and sent to another country.

Having reviewed Miss Y's account activity, I don't think there was anything particularly unusual about the individual transactions such that I think they ought to have flagged as suspicious to Remitly. The funds were sent abroad in a different currency, which is what remittance services are generally used for. The transactions were made over a couple of days – two on 20 February and four on 23 February – and the individual amounts ranged between £565 and £1,715. Remitly displayed a general scam warning before each payment. In the circumstances, I consider that was a proportionate response.

What this means is that I don't consider Remitly acted unreasonably in executing Miss Y's authorised instruction to make the payments.

I've also thought about recovery of the payments once Remitly became aware of the situation. These were "Push to Card" payments, and it is my understanding that currently there's no clear mechanism to request a recall of funds sent in this manner and recovery attempts are on a best endeavours basis. Remitly has shown that it did send a retrieval request as soon as Miss Y reported the scam. But no response was received from the partner bank. In the circumstances, Remitly couldn't reasonably have done more to recover the funds.

In summary, I recognise that this will come as a considerable disappointment to Miss Y and I'm sorry that she's lost a large sum of money to a scam. But in the circumstances, I'm not persuaded that Remitly can fairly or reasonably be held liable to reimburse her for her losses.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 18 September 2024.

Gagandeep Singh  
**Ombudsman**