

## **The complaint**

Mr S complains that WorldRemit Ltd ('WorldRemit') won't reimburse the money he lost when he says he fell victim to a scam.

## **What happened**

Mr S says that he has run a football academy in Africa since 2018. He posted something on social media inviting sponsors for the academy. He was approached by the founder of a football federation I'll refer to as B to discuss the possibility. In November 2022 Mr S says that B sent him a letter in which he outlined a commitment to paying 60% of the fees for a football tournament in Europe, with Mr S' academy paying the remaining amount. The tournament involved 32 countries and was due to take place in March 2023.

Mr S says he was required to make a series of payments via WorldRemit to an individual who was the treasurer of B's foundation. The payments were for accommodation and travel.

Between March and December 2023 Mr S made multiple payments through WorldRemit of between £14 and £576. The tournament was delayed a number of times and ultimately didn't take place.

Mr S contacted WorldRemit on 4 February 2024 asking that it reimburse his loss. He said that WorldRemit failed to protect him when the payments were made and referred to the impact of the loss. Much of the funds came from players and staff who want Mr S to return their funds.

WorldRemit didn't investigate Mr S' concerns as it says his email was sent to an out of use address. But after Mr S contacted this service WorldRemit issued a final response that said there was no indication of any illicit activity on the account when the payments were made, and Mr S didn't respond when it attempted to complete an account review in June 2023. WorldRemit went on to say that Mr S breached its terms and conditions by making payments to someone he didn't know.

Mr S was unhappy with WorldRemit's response and brought a complaint to this service.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. Initially the investigator said that Mr S hadn't provided sufficient evidence to demonstrate that he was the victim of a scam. But even if he was, the payments weren't concerning enough that WorldRemit should have intervened, and the loss wasn't his. She then said that whilst she was satisfied the payments related to a scam, she wasn't recommending that Mr S' losses be reimbursed.

This was because the payments weren't unusual enough to require WorldRemit to intervene. She went on to say that WorldRemit tried to complete an account review at the end of June 2023, but Mr S didn't respond. In any event, the information requested was general and wouldn't have led Mr S to stop making payments. Finally, the investigator noted that Mr S' account had been deactivated by WorldRemit to protect him from further loss but could be reinstated at any time.

Mr S didn't agree with the investigator's findings and asked for a final decision, so his complaint has been passed to me. He said WorldRemit should not have let him make the payments and that his health has been affected by the loss of funds.

### **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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – in other words on what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

I note that Mr S' table of loss includes some payments to a different firm. I am not considering those payments in this decision.

The CRM Code doesn't apply in this case. WorldRemit isn't a signatory to the code, and, in any event, it doesn't cover international payments.

In broad terms, the starting position at law is that an Electronic Money Institution (EMIs) such as WorldRemit 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.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that WorldRemit should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

In this case, it's hard to say from the evidence provided that it's more likely than not Mr S was fraudulently induced to make the payments. I have seen the invitation from B which refers to B's foundation providing 60% of the cost of the tournament and Mr S' academy paying the remaining cost of 5900 USD. And I have seen evidence that the tournament was delayed a few times.

I've also seen emails from B to Mr S which refer to internal disputes at S's academy and to staff not being part of the project. Another email in December 2023 said that if Mr S' foundation didn't do what it was meant to in 24 hours they wouldn't be part of the tournament. I also don't know on what basis Mr S received funds from various individuals which he then passed on. Overall, it's not clear whether B fraudulently induced Mr S to make payments or there was a breakdown in the relationship between Mr S and B.

Even if I were to decide Mr S is the victim of a scam, I wouldn't be asking WorldRemit to reimburse him, so I don't consider I need to decide this point. This is because I'm not

persuaded WorldRemit acted unreasonably in processing the transactions. I've also noted that individuals sent funds to Mr S which he then sent to the person B asked him to pay – meaning that much of the loss wasn't his.

Whilst Mr S ultimately paid a fairly significant amount to an individual on the instructions of B, each payment was relatively low in value and the payments were spread out over a period of nine months. On some days there were multiple payments, but the total amount transferred was still relatively low. And there wasn't a pattern of payments which increased in value over time. There's a balance to be struck; banks and EMLs have obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't be involved in every transaction as this would cause unnecessary disruption to legitimate payments. Overall, I'm not persuaded WorldRemit ought reasonably to have intervened when the payments were made.

WorldRemit attempted to complete an account review at the end of June 2023. It sent Mr S two emails asking for information including an identification document, a statement showing where the deposits were coming from, details of his occupation and source of funds, his relationship with the recipient of the funds, the purpose of the transactions he made and his intentions for the future use of the account. Mr S didn't respond and WorldRemit completed its review without the evidence it had requested and allowed Mr S to continue to make transactions.

I don't consider WorldRemit acted unreasonably at the time it completed its account review which considered the operation of the account as a whole. I also don't consider it likely that even if Mr S responded, WorldRemit would have had sufficient concern to prevent him from making further payments.

Overall, whilst I'm sorry to hear about Mr S' loss, I can't fairly ask WorldRemit to reimburse him.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 May 2025.

Jay Hadfield  
**Ombudsman**