

The complaint

Mr S complains that Western Union Payment Services GB Limited ('Western Union') won't reimburse the funds he lost when he fell victim to a scam.

What happened

Mr S says that on 19 March 2024 his mother received a call that she thought was from her nephew. She passed the call to Mr S. The caller said he wanted to discuss something with Mr S and asked for his number to call him back on. Mr S' relative then explained that he was using someone else's phone because he had been arrested and needed help. He gave Mr S the number of his solicitor, who told Mr S that he needed to pay bail to an account in India. Mr S made a payment of £4,000 (plus a fee) through Western Union.

Later that day Mr S realised he was the victim of a scam and contacted Western Union to report what had happened.

Western Union noted that it provided Mr S with an on-screen warning before the payment was processed and that it also spoke to him about the transaction. Funds could not be retrieved.

Mr S was unhappy with Western Union's response. He said that it didn't do enough to protect him when the payment was made or to recover his funds.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. He said that Western Union did enough to protect Mr S by providing an on-screen warning and asking him questions before processing the payment. He went on to say that Western Union might have uncovered the scam if Mr S had been honest about who the funds were being sent to.

Mr S didn't agree with the investigator's findings, so his complaint has been passed to me to decide. In summary, he said that Western Union didn't take immediate steps to recover his funds and it should have told him the location of the recipient bank, which was in an area notorious for criminal activity, and not where he expected.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a money transfer service like Western Union is expected to process payments that a customer authorises it to make in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, Western Union should have been on the 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. And, in some circumstances, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

Western Union's fraud detection systems identified a risk when the payment request was made and provided Mr S with a warning that said:

Protect yourself from fraud

Only use Western Union to send money to friends and family.

Do not proceed with your money transfer if you have been asked to send money:

- ✓ For an emergency situation you haven't confirmed.

Mr S wasn't sending funds to family or friends and had been asked to send funds for an emergency situation he hadn't taken steps to confirm.

I think this was a proportionate response to the risk posed by the transaction Mr S was making. Western Union went further and spoke to Mr S before processing the payment.

During this call, Western Union explained that it wanted to ensure the person he was sending funds to wasn't trying to defraud him. Mr S said he knew the person and it wasn't fraud. When asked for his relationship to the payee, Mr S said it was his brother-in-law and that the payment was for family support. The adviser checked that the payee was collecting the funds, and that Mr S knew the payee in person. Mr S provided a positive answer to both questions.

Western Union asked relevant questions to ensure Mr S wasn't falling victim to a scam. Mr S chose to mislead Western Union in his responses. He said this was because he wasn't thinking straight in the heat of the moment. Whilst this may be the case, I don't consider Western Union ought reasonably to have recognised that Mr S' answers weren't accurate or that his responses should have raised any concerns.

Mr S has said that Western Union should have told him the location of the recipient bank and that, had it done so, he would have realised something was amiss. There was no requirement for Western Union to provide this information to Mr S and I think the steps it took to protect him from fraud went far enough.

I turn now to the recovery of Mr S' funds. Once the payment was processed it was made quickly and could not be reversed. Western Union explained the position in the warning it provided to Mr S before it processed the transaction:

"If you transfer money, the person you're sending it to gets the money quickly. After the money is paid, Western Union may not be able to give you a refund, even if you are the victim of fraud".

When a transfer is made within the UK there are standards that must be met to try to recover a victim's funds. But the situation is different when funds are sent abroad, and recovery is very unlikely. Attempts were made to recover Mr S' funds which weren't successful.

Overall, whilst I am sorry to hear of Mr S' loss, I can't fairly ask Western Union 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 5 June 2025.

Jay Hadfield
Ombudsman