

## **The complaint**

Mr Z is unhappy Squareup Europe Ltd trading as Cash App (“Cash App”) hasn’t reimbursed him in full after he transferred money for a social networking handle that later turned out to be a scam.

## **What happened**

The details of this complaint are well-known to both parties, so I don’t intend to go into too much detail here. However, in summary, Mr Z has been the victim of a scam. He was tricked into sending £101 to a person he thought he was purchasing a social networking handle from, but who we now know to be a scammer.

Mr Z came across the profile of someone selling a social networking handle with thousands of followers. Wishing to purchase the handle, Mr Z got in touch with the seller. The seller told Mr Z to make payment for the handle and once the payment had been received, they would transfer over the profile login details.

Mr Z proceeded to make three transfers via Cash App amounting to £101. However, the seller failed to send him the login details for the account as agreed. So, Mr Z contacted Cash App to report the scam and to ask for a refund.

Cash App got in touch with Mr Z to say the scammer had already withdrawn his funds by the time he’d reported the scam and so it couldn’t return any of his funds to him. Cash App also declined to provide Mr Z with a refund of the amount lost.

Unhappy with Cash App’s response, Mr Z brought his complaint to this service. One of our investigators looked into things but they didn’t think the complaint should be upheld. They said there wasn’t anything about the transactions that left Mr Z’s account that meant Cash App shouldn’t have agreed to process them at his request and they thought Cash App had done enough to try and recover Mr Z’s funds when he reported the scam.

Mr Z did not agree with the investigators opinion and as an agreement could not be reached the case was passed to me for a final decision.

During the course of my investigation, it came to light that there was £1 remaining in the scammers account at the time Mr Z reported the scam - which could’ve been recovered and sent back to him. Mr Z said he would like Cash App to return the £1 to him now. So, I wrote to Cash App to ask if, as a gesture of goodwill, it would refund the £1. Cash App agreed and arranged to transfer the £1 to Mr Z. Regardless, Mr Z said he would like an ombudsman’s final decision on the matter.

## **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'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

### *Cash App's obligations*

It is accepted that Mr Z authorised the scam payments himself. So, although he didn't intend the money to go to a scammer, Mr Z is presumed liable for his loss in the first instance.

However, there are circumstances where it might be appropriate for Cash App to take additional steps or make additional checks before processing a payment in order to help protect its customers from the possibility of financial harm from fraud. An example of this would be payments which are sufficiently unusual or uncharacteristic when compared with the usual use of the account.

So, I've first thought about whether the transfers Mr Z made could be considered out of character and unusual when compared with his usual account activity. And I don't think they could. The payments are of low value and there wasn't anything particularly suspicious about them at the time. So, overall, I don't think the payments should have stood out or prompted further checks by Cash App before they were allowed to leave Mr Z's account.

### *Recovery of funds*

I've then thought about whether Cash App could've done more to help Mr Z once it was notified that he had fallen victim to a scam and I think it could - but I don't think it needs to do anything further now.

By the time Mr Z reported the scam, the scammer had already withdrawn the majority of Mr Z's funds - £100. This meant that it wasn't possible for Cash App to have gotten this money back for Mr Z. However, £1 remained in the receiving account for a couple of days after Mr Z reported the scam, before it was also withdrawn. So, Cash App could've recovered this £1 and returned it to Mr Z but this didn't happen. However, Cash App has now returned the £1 to Mr Z as a gesture of goodwill. And I don't think it needs to do anything more in order to resolve this complaint.

So, for the reasons I have set out above, and as Cash App has already offered to refund Mr Z what I would've recommended it return to him, I won't be making any further recommendations now.

### **My final decision**

My final decision is that I uphold this complaint against Squareup Europe Ltd trading as Cash App but I don't think it needs to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 1 November 2024.

Emly Hanley Hayes  
**Ombudsman**

