

## **The complaint**

Mrs L and Miss T complain that TransferGo Ltd allowed £600 to be deducted from their account with R, a financial provider, and sent to a scammer. They have a joint account although for convenience I shall refer to Mrs L throughout.

## **What happened**

Mrs L wanted to set up a seller's account with E, an online retail site. She says she was told that she needed to set up a virtual card with R. She did this and then authorised a test payment of £10 which she believed was verified. She then authorised a further payment of £600 to her R account, and then payment out of the same sum. She said she then discovered that a scammer had used the account to send the money to themselves using TransferGo.

TransferGo indicated that Mrs L was not a customer of it. It confirmed that the money had been taken from Mrs L's card with R by its customer, converted into a foreign currency and sent abroad. As the funds had already been sent, and as they had been authorised by Mrs L through R and as its checks revealed nothing untoward about the third party it facilitated the payment.

On referral to the Financial Ombudsman Service, our Investigator said that as a money transfer service provider (MTSP) TransferGo is expected to process payments that its customers authorise it to make, in accordance with the terms and conditions of its customers' accounts. Mrs L authorised the payment. He didn't think TransferGo could have prevented the transfer.

Mrs L made a complaint about R which I understand has been dealt with separately.

The matter has been passed to me for an Ombudsman's consideration.

## **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.

As I understand it, Mrs L was told that she had to set up a seller's account with E by creating a virtual card account with R. She said she was then told to deposit £600 with R. She verified a £10 payment initially and, when that payment went through, she authorised a £600 payment to R. She subsequently, according to R's records, authorised a £600 payment out of R which was transferred to the scammer's Eastern European account through TransferGo.

From what I've seen Mrs L authorised the payments here. I appreciate that she did not authorise TransferGo to make any payment. However TransferGo took what we would say were the necessary steps to ensure the payment it made was genuine. It fell below the threshold to complete additional verification checks. And it has sent us evidence that it checked who the customer was making the payment and that the payment was going into

that customer's account. When contacted by Mrs L it terminated and marked the profile.

I have to decide whether, when Mrs L's money was taken by a scammer, TransferGo could have reasonably taken any steps to identify any fraud. But bearing in mind that Mrs L had previously authorised the payment from R I wouldn't have expected TransferGo to carry out additional checks beyond those that it did. Bearing in mind that such a transaction was not unusual from TransferGo's point of view, I can't say that it should have carried out any further checks. I think TransferGo acted fairly and reasonably.

Regrettably that means that I can't make TransferGo refund Mrs L's money to her.

### **My final decision**

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L and Miss T to accept or reject my decision before 11 November 2024.

Ray Lawley  
**Ombudsman**