

The complaint

Mr P has complained that Euronet Payment Services Ltd (trading as “Ria” Money Transfer) didn’t prevent him from falling victim to a scam, and hasn’t refunded the money he lost as part of that scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

I recognise Mr P has made complaints about different financial businesses in connection with the same scam. In this decision I’ll only comment on the allegations against Ria. We’ll address Mr P’s concerns about the other businesses separately.

Mr P says he sent twelve payments overseas using Ria as a money transfer service, which was received by agents on his behalf. He says he believed he was sending money to a lawyer in the USA, via third parties, who he believed was organising a loan for him. He’s also explained how another lawyer, allegedly based in Kuwait, was working on behalf of a “loan facilitator” based in Nigeria to produce the loan documentation. Mr P has also provided several documents which appear to show he was due to receive €5,500,000,000 upon payment of a £350 fee.

The payments were made to Ria in cash and delivered to the receiving agents in four different countries as cash, picked up from local offices.

The payments Mr P sent were as follows:

Date	Amount (£)	Destination country
26/08/2022	375.44	France
16/11/2022	416	France
05/12/2022	420	Greece
15/12/2022	210	Greece
16/01/2023	416	France
20/05/2023	156	United States
24/05/2023	208	Turkey
12/06/2023	183	Turkey
21/06/2023	183	Turkey
04/07/2023	208	Turkey
08/12/2023	260	Turkey
04/01/2024	260	Turkey
Total	3,295.44	12 payments

Mr P says he later found out the payments were sent as part of a scam when the alleged lawyer demanded further payments to cover “legal fees”.

Mr P made a complaint to Ria in which he said it should be insured for fraud and theft, so it should refund the money he lost as part of the scam. I also understand Mr P reported the scam to Action Fraud. Ria said all of the transactions had been carried out in line with Mr P's instructions and collected by the intended beneficiaries, so they weren't eligible for cancellation or a refund.

Mr P remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained he didn't think Ria ought to have been alerted to the fact that Mr P was being scammed, given the values of the payments, as well as the pattern in which they were made. He also explained that whilst Mr P had clearly had some difficult life events before this complaint, as well as whilst dealing with it, he didn't think Ria ought to have known about that, or treated Mr P any differently as a result.

As Mr P didn't accept the investigator's opinion, the case has been passed to me to make a decision.

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.

Mr P has explained that this complaint has caused a great deal of anxiety and financial worry for him and I'm very sorry that's the case. I've carefully considered this alongside all of the circumstances, but I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr P authorised these payments. It's accepted by all parties that Mr P gave the instructions to Ria and Ria made the payments in line with those instructions, and in line with its terms and conditions of service.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I can see from copies of the payment orders that each time Mr P made one of the payments linked to the scam he disclosed the reason as "Family assistance", which he says he was told to do by the scammer. Ria has also provided data in relation to all of the payments and although it doesn't appear Ria asked for the relationship of the payee to Mr P on all occasions, for four payments (all to the same payee) he told it he was paying a friend, and for two (again to the same payee) he said he was paying his cousin.

The payments were made to various recipients and sent over a time period of sixteen months, so there wasn't a pattern emerging that was indicative of a scam. In addition, as Ria isn't a bank, but a money transfer service, I wouldn't expect it to have information on Mr P's general spending habits. The transactions Mr P made were in line with the way I'd expect Ria's customers to generally use its service, so I don't think Ria should've been on alert that Mr P might've been falling victim to a scam, and with this in mind I wouldn't have expected it to delay or refuse to process the payments.

For the reasons I've explained I don't think Ria acted irresponsibly by allowing Mr P to make the payments he made and has now complained about. Although the total value of the payments is significant to Mr P, the individual values weren't so large that they ought to have caused Ria concern, nor would I have expected Ria to determine that the pattern of payments was suspicious and warranted intervention.

I've also reviewed Ria's terms and conditions and I do note that it reserves the right to refuse to make a payment, for any reason. But I can't see any reason that Ria ought to have done that here. This is also the case when considering what happened against the wider context of the regulatory framework under which Ria operates, and industry best practice that exists.

I note that the way the payments were delivered to the recipients was in cash, using local agents, whereby the recipient would need to present identification and a PIN at one of Ria's partner offices before the funds were released. As this process was completed for all payments in line with Mr P's instructions, there's no way Ria could've recovered the funds.

I fully understand Mr P's strength of feeling in this matter and I've seen that he's mentioned several times that Ria should refund him as it can claim back the payments from its insurance, or by taking legal action. But I can't simply tell Ria to refund Mr P because he's lost money. I'd need to be satisfied that Ria had done something wrong before I'd consider telling it to refund Mr P, and for the reasons I've explained I don't think that's the case here.

I've also seen that Mr P says Ria didn't consider his vulnerabilities, namely some traumatic events that had happened in the past, which have been exacerbated by this scam. I haven't seen any reason to suggest that Ria should've known about Mr P's vulnerabilities, so whilst I understand that will have made what's happened even more difficult to deal with, I'm satisfied that Ria hasn't acted unfairly here.

I also can't compel Ria to issue legal proceedings against anyone that played a part in the scam. So whilst Mr P may wish to pursue his complaint against Ria using a legal route, based on everything I've seen and been told I don't require Ria to refund what Mr P has unfortunately lost, nor can I ask it to take any further action to recover the funds.

I'm very sorry that Mr P has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Ria responsible for that.

My final decision

I don't uphold Mr P's complaint against Euronet Payment Services Ltd trading as Ria Money Transfer.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 December 2024.

Sam Wade
Ombudsman