

The complaint

Ms C says she was remitting money overseas and was asked by the receiving agent to provide video and personal identification. She was uncomfortable with this request and cancelled the transaction. She complains that when she raised her concerns about the agent with Western Union International Bank GmbH ("Western Union"), it didn't investigate matters effectively.

What happened

Ms C used Western Union's online service¹ to send a payment to "S", a third party in Asia. When the money arrived, S went to collect it from a local agent. The agent said they wouldn't release the funds without verification from Ms C, which needed to be in the form of a video call with Ms C holding her passport identification. Ms C wasn't willing to do this as she had concerns over the security of such a call. She cancelled the payment and complained to Western Union in the UK.

Western Union said it had contacted the regional controller for the agent, who had told it the measures were local compliance measures intended for consumer protection against issues such as fraud. Western Union didn't consider it had done anything wrong and didn't uphold Ms C's complaint. Ms C felt Western Union hadn't done any more than a cursory review and felt its response was inadequate and dismissive. She said following the issue she received a phishing message, which led her to feel unsafe about what had happened.

On reviewing the matter, our investigator said she understood why Ms C had felt concerned, as the receiving agent's request could have seemed odd in the circumstances. However, the investigator thought Western Union had done enough to explain the reasons for the request and that it hadn't been unreasonable in the context of fraud prevention measures. The investigator did note that while Western Union had returned Ms C's payment to her, it hadn't refunded the transaction fee of £1.99 that she was due. She told Western Union to refund that amount with interest, to which Western Union agreed.

Ms C was unhappy with the investigator's conclusions. She maintained there was no legitimate need for verification at the receiving end of the transaction, given that she had already provided identification when sending the payment. She provided a copy of a note from the receiving agent relating to the verification requirement. The investigator wasn't persuaded to reach a different conclusion, and the matter has been passed to me for review and determination.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable

¹ At the material time Western Union's online payment services were provided by Western Union International Bank GmbH, authorised by the Austrian Financial Market Authority and providing its services to UK-based customers under the UK Financial Conduct Authority's ("FCA") Temporary Permissions Regime

in the circumstances of this complaint.

In this case our investigator has provided Ms C with detailed findings in relation to the activities of the receiving agent as part of the complaint issues she's raised. And it's clear Ms C has some strong feelings about the way that agent carried out their actions. What's perhaps less clear is whether the request for a video call and identification were part of the agent's process.

Ms C has said she never spoke with the agent directly, and the copy of their note she has provided makes no mention of a requirement for a video call. The note simply says that to make payment to the receiver, the company requires both sender and receiver identification. As I understand it, any requirement about video calling was communicated to her by S, rather than by the agent.

I can understand why Ms C was reluctant to provide identification, particularly as she'd done so when instructing payment, and her concern would only have grown in light of the phishing message she later received, though as she never communicated with the agent directly, I've no reason to conclude this was connected to that party.

I don't think there's any proper basis for me to say that Western Union has acted inappropriately in its dealings with Ms C. It received her complaint and says it flagged her concerns with the regional controller. The response received didn't indicate the agent was acting illegitimately. So I can see why Western Union didn't uphold Ms C's complaint.

It's apparent that Ms C cancelled her transaction within the required period such that she should be entitled to receive a refund of the £1.99 transfer fee, as our investigator noted. Western Union has acknowledged this and agreed to refund the fee along with 8% annual simple interest from the point the payment was returned. I'm satisfied that Western Union doesn't need to do any more than our investigator proposed, and simply require that it confirm to Ms C that the sum in question – which I understand totals £3.64 – is available for collection within 30 days should she wish to do so.

Additional observations

I should add, albeit for the sake of completeness, that it's not entirely clear Ms C can complain to us about the agent's actions. These were in relation to the 'receiving end' of the payment transaction and taken in connection with the collection/release of the money to a payee outside the UK and European Economic Area ("EEA"), rather than the sending service for which Ms C was the payer and a payment service user of Western Union. It's quite possible that this takes the overseas activity outside my remit. And even if it could be shown that Ms C was eligible to complain to us about that aspect, my findings in respect of Western Union's response remain the same.

My final decision

My final decision is that to settle this complaint, Western Union International Bank GmbH must take the following steps:

- confirm to Ms C that it will make the £3.64 available for collection for a period of 30 days after she is sent such confirmation. It should explain to Ms C how she can collect the money and any additional requirements it has to complete the payment

I do not require Western Union International Bank GmbH to take any other action in order to resolve Ms C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 16 December 2024.

Sarita Taylor
Ombudsman