

The complaint

Mr G complains as a director of F, a limited company, about the service he received from Refundee Limited while representing him in complaints to do with a scam.

What happened

In mid-2023, Mr G engaged the services of Refundee after becoming a victim of an Authorised Push Payment (APP) scam, which resulted in a loss of a significant amount of money from F's bank account.

Refundee raised a complaint against the bank who had sent the funds to the fraudster. This was later referred to the Financial Ombudsman Service.

In April 2024, Mr G asked Refundee for an update, and queried if his complaint included the one against the receiving bank. Refundee said this had not been included in his case. The only case it had ongoing was the case against the sending bank which was currently with the Financial Ombudsman Service.

Mr G complained to Refundee that it had not referred his complaint against the receiving bank to the Financial Ombudsman Service as promised. It was now too late for it to be considered.

Refundee acknowledged that it had made an error and offered Mr G £50 compensation. It wouldn't offer anything further as it didn't believe its actions had led to a detriment to F's existing case or potential recuperation of funds.

Mr G remained unhappy and asked the Claims Management Ombudsman to consider the matter.

Our investigator thought F's complaint should be upheld. He didn't think Refundee's communication with Mr G was clear. He recommended Refundee increase its £50 offer to £300 to compensate F for a loss of opportunity.

Refundee accepted our investigator's recommendation, but Mr G didn't think this was enough to put things right.

Mr G said the Financial Ombudsman Service had recently reached a decision on another case brought to it by Refundee. In that case, it had decided the receiving bank was liable to compensate the person subject to fraud. He said if Refundee had taken the same actions for his case, he would have secured £16,000 from the receiving bank. Mr G felt the minimum Refundee should compensate him was £2,880 which is the fee it would have charged if it had recovered this amount. Mr G also commented that he had still not received any money from the fraud as the complaint against the sending bank was still with the Financial Ombudsman Service. So, the complaint has been passed to me to decide.

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.

Having done so, I've reached broadly the same conclusions as our investigator. I'll explain why.

Shortly after engaging Refundee's services, Mr G sent an email to Refundee confirming what had been discussed in a telephone conversation a few days before. The email said Mr G already had a complaint pending with the receiving bank. If they were to refund any more money or took responsibility for fraud and gave him a share, then Refundee would not charge Mr G for that money.

In September 2023, Mr G sent an email to Refundee which said:

"Please see attached the response I have had from (the receiving bank) regarding my complain to (the sending bank) which is what they sent to (the receiving bank). (The receiving bank) feel they do not uphold the complaint.

Could you kindly look at it and see if you need to do anything more about it."

In response, Refundee said:

"Thank you for sending over. This is as expected. We will now take the case on [sic] the Financial Ombudsman Service."

Refundee says the above email meant it would be taking the complaint against the *sending* bank to the Financial Ombudsman Service.

I don't think Refundee's email was very clear. So, I think it's understandable that Mr G interpreted this to mean Refundee would be referring his complaint against the *receiving* bank to the Financial Ombudsman Service.

The final response letter from the receiving bank would have given Mr G six months to refer his complaint to the Financial Ombudsman Service. So, by the time Mr G became aware that Refundee hadn't referred it, it was too late to do so.

Refundee says it's not standard that liability would be split between a sending bank, receiving bank and the victim of the fraud. It's referred to the Financial Ombudsman Service investigator's view that 50% should be refunded by the sending bank, with a shared liability between it and F.

I appreciate Mr G feels that if Refundee had referred the complaint against the receiving bank to the Financial Ombudsman Service it would likely have awarded around £16,000 compensation. But each case is decided on its individual merits. In some circumstances the Financial Ombudsman Service might conclude that a receiving bank is responsible for a loss of funds and award compensation as a result. But this won't happen in all cases. So, I've no way of knowing if F has lost out financially due to Refundee's error.

I know my answer will be disappointing for Mr G. But Refundee has agreed to pay F £300 to compensate it for the loss of the opportunity of having its complaint considered by the Financial Ombudsman Service. And I think this is reasonable.

Putting things right

Refundee should pay F a total of £300 compensation (including the £50 it offered in response to F's complaint).

My final decision

For the reasons I've explained, I uphold F's complaint and direct Refundee Limited to put things right by doing as I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 20 March 2025.

Anne Muscroft
Ombudsman