

The complaint

Ms O complains that MoneyGram International Limited trading as MoneyGram delayed in completing a transfer of money for her and failed to action her request for a refund.

What happened

On 27 May 2024, Ms O advises us that she applied to MoneyGram to carry out a transfer for her to an overseas bank. She says that MoneyGram advertised that the payment would be made within two days, so she called it on 29 May to ask what had happened. She says she was assured by the person she spoke to that an investigation would be opened. She asked to cancel the transaction and for a refund to be made and says she was told that the refund wouldn't be made until the investigation had concluded.

The payment was made on 4 June 2024. MoneyGram said that delivery could take up to five business days. It didn't explain to Ms O why she wasn't able to cancel and receive a refund. However it later told this Service that once the funds are transferred, MoneyGram is unable to process any changes or issue a refund as the funds are no longer in its possession.

After review by our Investigator, they noted that the transaction actually took six business days, one day over the maximum time MoneyGram said the transaction could have taken. They recommended that MoneyGram pay £30 compensation.

Ms O accepted this proposal, as did MoneyGram. However despite chasing MoneyGram still didn't pay. So the matter was passed to me for an Ombudsman's consideration.

I issued a provisional decision. In it I said that I thought the appropriate award should be £75.

Both parties accepted my provisional findings.

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.

The following were my provisional findings:

"I don't think Ms O was advised by MoneyGram that the transaction would take two days before she initiated it. I haven't seen any advertising by MoneyGram that that was the case. Nevertheless other consumer websites do mention the two days so I can understand it if she thought that would happen with her transfer. There's no mention of a maximum time to complete a transfer in MoneyGram's terms and conditions, although I accept its advice that delivery of the payment would take up to five business days. In line with that, as it took six business days, I think it's fair that MoneyGram should pay a small amount of compensation for that.

However, Ms O had other complaints. She said she was told by the agent that she spoke to at MoneyGram that the refund would not be paid to her until the investigation was complete.

She says she made it clear that she wanted a refund. However the transaction was processed and it wasn't explained to her that the refund might not be available. So she wasted time in trying to get the money back. She also said that her complaint about this was ignored.

The final response letter to Ms O of 11 June advised that the deposit had gone through and mentioned the five business day deadline. It didn't explain why her request for a refund couldn't be actioned.

As Ms O contacted MoneyGram after 2 days, I would have thought that the agent could have explained to her that 1) the funds had been transferred (if they had) so a refund wouldn't be available and 2) that the process would take up to five business days. If they had it might have saved Ms O anxiety over the next few days as she didn't know what had happened to her money and whether she would get a refund.

I think in the circumstances of this case, MoneyGram should pay £75 for the distress and inconvenience caused."

As both parties accepted those findings they are now final and form part of this final decision. And, just to clarify, I am issuing a final decision as MoneyGram didn't pay in accordance with a previous proposed settlement.

Putting things right

MoneyGram should pay Ms O £75 compensation.

My final decision

I require MoneyGram International Limited trading as MoneyGram to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 13 March 2025.

Ray Lawley
Ombudsman