

The complaint

Miss U complains that Western Union Payment Services GB Limited ('Western Union') won't refund the money she lost after falling victim to a scam.

What happened

In 2024 Miss U was approached on a social media site by someone offering an investment opportunity. Miss U was told that if she invested £500 it would increase to £2,000 to £3,000 within a day.

Miss U made her initial investment payment from an account held with a bank – not Western Union. She was told that her investment had increased to £8,000, but she would need to pay a fee of £3,500 to release the funds.

Miss U says she initially made payments using accounts she held with two other banks, but when she had difficulty getting further payments through, she opened a Western Union account. Miss U then made five card payments of £500 on 12 October 2024, using Western Union's app.

When Miss U was asked to pay further fees, she realised it was a scam and reported it.

Western Union have declined to refund Miss U, saying they provided her with a warning when the payments were made and tried to recover her funds but were unsuccessful.

Miss U wasn't happy with Western Union's response and brought a complaint to our service.

An investigator looked into Miss U's complaint but didn't recommend that Western Union refund her. The investigator explained that Miss U's payments aren't covered by the APP scam reimbursement rules (ASR rules) that came into effect in October 2024 as it only covers faster payments or CHAPs payments – it doesn't cover card payments. Also, the investigator wasn't satisfied that Western Union should've been concerned about the payments Miss U made and the online warning they provided was proportionate.

Miss U disagreed with the investigator's opinion and asked for an ombudsman to review her case. Miss U feels the ASR rules should apply to her payments and explained the serious impact the stress of the scam has had on her mental and physical wellbeing.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that Western Union is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Miss U authorised these payments, although she did so not realising she was the victim of a scam at the time. But that doesn't make the payments unauthorised.

The ASR rules only cover payments made by faster payment or CHAPs; it does not apply to card payments. Western Union have provided evidence that shows Miss U's payments were made using a card, so I can't apply the ASR rules to her payments.

There are however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at "face value" – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Taking into account the size of the payments, I'm not satisfied that Western Union should've identified a risk of financial harm from fraud when they were made. I appreciate that this is a lot of money for Miss U, but the payments were for less than £3,000 in total and were made to one payee.

Western Union asked Miss U for the payment reason and provided an onscreen warning which said:

"Protect yourself from Fraud – Only use Western Union to send money to friends and family. Do not proceed with your money transfer if you have been asked to send money: to an individual you have not met in person."

In the circumstances, I'm satisfied that Western Union's onscreen warning was appropriate, and I can't fairly say they acted unreasonably in following Miss U's payment instructions.

Miss U says she is vulnerable due to an existing health condition and the serious impact the stress of this scam has had on her mental and physical health. However, I haven't seen any evidence that Western Union were aware of Miss U's vulnerability before she made the payments. Even if they were, I'm not satisfied that I could fairly say they should've taken additional steps as a result in these circumstances.

I'm really sorry that Miss U fell victim to a cruel scam and that she has lost a significant amount of money as a result. However, having carefully considered the evidence, I'm not satisfied that I can fairly hold Western Union liable or ask them to refund her.

My final decision

My final decision is that I don't uphold this complaint against Western Union Payment Services GB Limited.

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

Lisa Lowe
Ombudsman