

The complaint

Mr R complains Western Union Payment Services GB Limited (WU) failed to refund a payment he cancelled, causing him significant financial hardship.

What happened

Mr R explained he arranged a money transfer with WU in November 2024 for just over £1,000. Mr R said he cancelled the transaction and WU told him by email he would receive a refund in five to seven working days. However, it took until February 2025 for WU to locate the funds and refund Mr R.

Mr R has described the significant distress this caused him and provided evidence of financial hardship he also experienced during this period, explaining he struggled to pay his rent and utility bills over winter.

WU explained Mr R sent it the funds for the transfer on the day he arranged it. WU agreed Mr R then called WU's customer contact centre and cancelled the transfer. WU said it tried to send the funds back to the bank account Mr R had used to fund the transfer the following day.

WU said Mr R's bank rejected the transfer and so it kept trying to send the funds back, stating it tried eight times throughout November. WU explained, as Mr R's bank kept rejecting the transfer, the funds were sent to an '*unauthorized queue*' at WU. WU described a '*technical error*' at WU meant the team were unable to view the actual status of the transaction, so when Mr R contacted WU, they were unable to update him about this.

WU apologised to Mr R for what it described as an '*unforeseen technical error*'. It accepted it did not offer the customer service it should have and offered Mr R a goodwill gesture of £100 for the delay in returning his funds. WU said it would arrange for the funds, including the goodwill gesture, to be available at one of its branches and provided details of how Mr R could get his money.

Our investigator thought WU had provided Mr R with poor service and recommended WU compensate Mr R a total of £300. Our investigator accepted Mr R had experienced both financial hardship and emotional distress because of WU's actions.

Mr R didn't think £300 was sufficient compensation. Following our investigator's view, he provided further evidence of the difficulties he had faced personally throughout this time, which he explained have been directly caused by the delay in getting the refund. Mr R also explained he had further difficulties in getting the refund from branches of WU.

As Mr R rejected our investigator's recommendation, his complaint has been passed to me to make a final 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.

I appreciate how strongly Mr R feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact

the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Firstly, I would like to express how very sorry I was to read about the difficulties Mr R has had recently, I can see it has been an extremely difficult time for him and his family.

As explained above, WU has accepted it made a mistake and has apologised for it. It also offered a £100 goodwill gesture for the issues Mr R has faced. WU's service was below the standard Mr R should have experienced and the main issue I need to determine is whether the compensation recommended is fair and reasonable and inline with what our service expects taking into account all of the circumstances.

I can see from the evidence WU provided, including screen shots from its systems, it did initially take the correct action. It cancelled the transfer as requested, and tried a total of eight times to send the funds back to Mr R's bank in November. I am reasonably satisfied from this evidence the issue appears to have been that Mr R's bank wouldn't accept the funds back. I therefore think this does limit WU's culpability regarding this part of Mr R's complaint. In summary, if Mr R's bank had accepted the funds, the subsequent issues would not have occurred, and I don't think WU were doing anything incorrectly throughout this early stage.

However, when the funds could not be returned to Mr R's bank account, an issue with WU systems didn't allow advisers to update Mr R and realise the error and make different arrangements for the refund. I am satisfied this meant Mr R contacted WU several times without getting a clear picture of what was happening or progressing his refund. This was poor customer service, as I have said, WU has accepted this, and I think it is reasonable to conclude this caused an unnecessary delay in Mr R receiving his refund. The refund eventually happened in February 2025, after WU had issued its final response letter, explaining WU had found the funds and clarified what had happened.

This means Mr R was without these funds, due to issues with WU systems, from late November until February 2025, whilst WU completed its investigation. Mr R has detailed the hardship he has suffered and the efforts he went to to recover the funds from WU. He has also supplied further evidence of the financial and personal hardship he has suffered over these few months. Mr R also explained these funds were for a short-term loan to a third party abroad for an emergency and he expected the funds back within a week.

In determining what I consider to be fair and reasonable compensation for the this mistake, I need to fully understand the impact this mistake has had on Mr R.

I have considered Mr R's explanation of why he expected to receive the money back within a week and have no reason to doubt this.

I appreciate Mr R has claimed the failure of WU to refund the £1,000 has caused several financial difficulties, meaning he couldn't pay bills, which has affected his credit score and led to him having to curtail his studies at a financial loss due to the distress he was experiencing. However, I asked Mr R to provide specific evidence to corroborate these claims, which he declined to do.

To be clear, I am not in any doubt Mr R has suffered some financial difficulties recently as he has presented evidence of this. But for me to consider and award financial loss or a higher level of compensation for distress and inconvenience, I think it is reasonable to see clear evidence WU's actions had directly led to the losses claimed. I am therefore somewhat limited in the award I can make for these reasons, as I do not think it would not be fair on WU to award such compensation without evidence its mistake directly led to the hardship Mr R has claimed.

I accept this was a one-off issue which seems to have ultimately caused Mr R some distress and inconvenience. The impact has lasted a few months and has taken a reasonable effort to resolve. Taking into account the submissions by Mr R, I am persuaded the £100 offered

by WU is too low. I therefore agree with our investigator's recommendation that a reasonable and fair award for the distress and inconvenience Mr R has suffered is £300. I am satisfied this is in line with what our service would expect in these circumstances.

My final decision

For the reasons I have given, I uphold this complaint and require Western Union Payment Services GB Limited to pay Mr R a total of £300 compensation, minus any payment already made, for the distress and inconvenience Mr R has suffered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 May 2025.

Gareth Jones
Ombudsman