

The complaint

Mrs A complains that MoneyGram International Limited ('MoneyGram') released funds intended for her sister to a scammer who had deceived her sister through a visa scam.

What happened

The details of this complaint are well known to both parties, so I will not go into every detail of what happened here. But in summary, in October 2023 Mrs A's sister was looking to relocate to the UK. She was in communication with someone who claimed they were looking for an au pair. After speaking over numerous messages, they confirmed they wanted her to come and work for them and sent her a contract of employment. They let her know that a visa would be needed for her to work for them.

Mrs A's sister then heard from someone purporting to be from the UK Home Office. They convinced her that she would need to get a close friend or relative to send £750 via MoneyGram and instructed that it should be sent in the applicant (Mrs A's sister)'s name. This was said to be to prove that she was financially supported, and capable of living prior to her first paycheck. Mrs A lives in the UK and agreed to send the funds to help her sister.

Mrs A used MoneyGram's money remittance service. This allows money to be paid in and picked up in cash without the need for an account. She sent the funds and paid the relevant fees. The 'receiver details' listed her sister's name, with the collection country listed as the United Kingdom. Once this had been paid, Mrs A's sister received a communication purportedly from UK Visas and Immigration which said the cost had gone up and she would now need to send a further £750. Mrs A sent a further £750 via MoneyGram, using the same method and recipient details as the first time. Unfortunately, Mrs A's sister had been in contact with a scammer, not the authorities or a potential employer.

It appears the scammer was able to collect the money from a MoneyGram office elsewhere in the UK by impersonating Mrs A's sister, presumably with fake identification and providing the security number from the receipt.

Mrs A complained to MoneyGram. She said that her sister never collected the money, and she never received any texts to say the money had been collected. She wanted MoneyGram to refund her.

MoneyGram said that an individual identifying themselves as the intended receiver of the transaction visited a MoneyGram location elsewhere within the UK on 25 October 2023 and completed a 'receive form' requesting the payment of funds. The correct security reference number was provided, together with required photographic identification. The details matched the transaction, so MoneyGram released the funds. They said that as the funds were successfully paid they were unable to uphold Mrs A's request to refund the funds.

MoneyGram's terms and conditions say it is not required to retain a copy of the identification document. The agent that released the funds in the UK had searched for the transaction on the system by the reference number and it isn't possible to search by any other attribute, nor could the agent see other information about Mrs A or her sister against which to verify the recipient. MoneyGram also explained that the sender only needs to supply the receiver's name and the country to send funds to. Its agents don't know what the receiver should look like, and this is why the recipient is required to provide the reference number and name of the sender.

Mrs A escalated her concerns to our service, and one of our investigators looked into what happened. They did not recommend that Mrs A's complaint should be upheld. This was because they did not think MoneyGram needed to refund Mrs A, as they had acted fairly and in accordance with its terms and conditions when they released the payment.

Mrs A didn't agree with the investigator's recommendations, so the case 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 the same conclusion as our investigator, and for broadly the same reasons. I know this will not be the answer Mrs A was hoping for, and I am sorry to have to disappoint her. But I will explain why I have reached this outcome.

To begin, I think it's important to say that the outcome I need to determine here doesn't depend on whether I am persuaded the funds were fraudulently collected, but rather on whether I think MoneyGram has done anything wrong in making the payment and releasing the funds as it did. I do not have the power to investigate the criminal actions of a scammer, and I can't fairly hold MoneyGram responsible for a loss unless I can establish that the loss followed from something it did or didn't do in the specific circumstances.

From the information I have seen I'm satisfied MoneyGram was provided with the unique reference number and with a photo ID that met MoneyGram's identification requirements. It has not been entirely clear how the scammer had the reference number, but I have to conclude that Mrs A gave it to her sister who passed it on to someone she thought was an official working for the agencies she believed she was talking to. I say this because the correct number had to be given over with her sister's name, and I see no other way for this to have happened. The information it was provided on the withdrawal form matched the information given by the sender of the money. MoneyGram hasn't retained a copy of the identification, but its terms don't require it to.

So I've based my decision, as I must, on whether MoneyGram took reasonable care to release the funds to the correct person and followed its normal processes correctly in doing so.

As a starting point, MoneyGram knew an individual of Mrs A's sister's name was due to collect some money in the UK. An individual arrived at one of its collection points, with photo identification matching the name of Mrs A's sister and who had to know the individual transaction reference number.

Taking this into account, I'm satisfied the MoneyGram agent followed the correct process when paying out the money. I appreciate fake identification may have been used, as Mrs A's sister did not collect the money. But I'm satisfied MoneyGram wasn't required to take a copy of the identification, so I haven't seen any details of the identification that was used when the payment was collected and can't provide Mrs A with any further details about it.

I would expect MoneyGram to take reasonable care in checking the identification presented to it. Having said that, I don't think it's reasonable to expect every MoneyGram agent to be an expert in identifying identification forgeries. As the agent didn't raise any concerns, I think it's more likely than not the identification appeared genuine. I think it's reasonable for MoneyGram to expect the recipient's personal details, along with the reference number will only generally be known to the intended recipient of a transfer. And I don't consider there's anything in this case that indicates MoneyGram could have known this information had been obtained fraudulently.

Overall, I'm satisfied MoneyGram followed its procedures when handing over the money to the individual collecting it. I say that because the individual was able to provide the

information MoneyGram needed (and which are set out in its terms and conditions) and had photo identification matching the name of the intended receiver.

In saying all of the above, I have considerable sympathy for Mrs A. She and her sister have been the victim of a cruel scam that was designed to defraud her. The scammer preyed on her sister's need for work and an income and I conclude must have succeeded in getting her to reveal the MoneyGram reference number. But that doesn't mean MoneyGram is liable for what happened. Mrs A and her sister are the victims of a crime - the person directly responsible here is the scammer.

In terms of Ms B's complaint about MoneyGram, I haven't seen sufficient evidence to persuade me that MoneyGram could, or ought to, have known the person collecting the funds wasn't Mrs A's sister or was doing so fraudulently. So, it wasn't at fault in releasing the money as it did. That means I can't fairly hold MoneyGram responsible for reimbursing Mrs A for her loss here.

My final decision

For the reasons given above, I do not uphold Mrs A's complaint about MoneyGram International Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 15 August 2025.

Katherine Jones
Ombudsman