

## **The complaint**

Mr D complains Western Union Payment Services GB Limited (WU) blocked his account and stopped a payment that had been sent to him by a relative without providing a proper explanation. Mr D is also unhappy about the service WU provided and how long it took to release the withheld money.

## **What happened**

Mr D has used WU for several years to make and receive payments to and from relatives overseas.

In 2017, to comply with its legal and regulatory obligations WU reviewed and blocked Mr D's account. As part of its review, at the time, WU reached out to Mr D on three occasions and asked him to provide information to them about transactions on his account, source of wealth and identification but they didn't hear anything back from him. So, the blocked remained in place.

In May 2019, Mr D got in touch with WU and provided identification documents and proof of source funds. However, after reviewing everything WU decided to keep Mr D's account blocked.

In January 2025, a relative based in USA sent Mr D \$500. Due to Mr D's account being blocked WU stopped the payment. Mr D discovered the payment had been stopped when he went to collect the funds and WU told him that the sender needed to contact WU to provide additional information before the funds could be released. Mr D's relative contacted WU and provided the requested information.

Following this Mr D's relative told him that the funds were ready for collection, so Mr D went to collect them. But WU told him that it needed more information from the sender before it could release the money to him. Mr D and his relative contacted WU to try and resolve things and find out why he couldn't gain access to the money.

WU told Mr D that the reason he was having trouble accessing the money was because his account was still banned. To sort things out WU told Mr D to send his identification documents to them, and they'd review things again. Mr D sent his passport, payslip and bank statement to WU.

WU reviewed the paperwork and said it was happy for Mr D to continue to use its services. And removed the block from his account. WU refunded the payment to Mr D's relative on 4 February 2025.

Mr D complained to WU. He said he wants to be provided with a proper explanation for why his account was blocked. He also said that the \$500 sent to him by his relative was blocked for nine days before it was refunded to his relative, which meant he had to wait to receive the money. Mr D says this left him struggling financially and he had to beg from friends to be able to afford necessities.

Mr D says he was also forced to use alternative money transfer services which were more expensive. And had to explain to his relatives that WU had banned his account which was upsetting and embarrassing. To put things right he said WU should pay him £1,000 compensation for the trouble and upset he was caused.

WU said it hadn't done anything wrong when it had blocked Mr D's account and stopped the payment. And that it had done so to comply with its legal and regulatory obligations.

Mr D remained unhappy and brought his complaint to our service where one of our investigators looked into what had happened.

The investigator asked WU and Mr D for more information. After reviewing everything, including information WU provided to our service in confidence, the investigator didn't uphold Mr D's complaint. Our investigator noted to comply with regulations WU stuck to its account terms and conditions and returned the payment. He thought WU had acted fairly and reasonably.

Mr D didn't accept this and asked for his complaint to be passed to an ombudsman for a decision. So, the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether WU has treated Mr D fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr D's submissions.

I want to make it clear that I understand why what happened concerned Mr D. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that he couldn't access the money his relative had sent him. And that his account had been blocked. But as the investigator has already explained, WU has extensive legal and regulatory responsibilities they must meet when providing services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

WU will review and block accounts to comply with these responsibilities. This can happen regardless of how long a customer has been with a bank. The terms and conditions of Mr D's account also make provision for this to happen.

Firstly, I have to consider whether there was cause to block Mr D's account. WU has said it didn't have any issues with the sender of the payment. But it has said that due to Mr D's account being blocked the payment was stopped and flagged for compliance review. WU said because of this it asked for more information including Mr D's source of wealth. WU discussed the payment further internally and its head of operational compliance decided from a review that the payment was outside WU's "risk appetite." And needed more information from Mr D.

WU said it must comply with its regulations as per the terms and conditions and the risk of the payment could have been considered a breach if cleared and accepted. As a result, the payment in was rejected and the funds were ultimately returned to source.

WU confirmed its obligations arise at any time during the life cycle of the account. It said the terms and conditions make it clear that it may request information before any funds are released for screening checks on all payments. It said Mr D had agreed to these conditions when he opened an account with WU.

I accept WU's point that compliance and security checks can take place at any time. Systems are designed to find certain issues and payments made a previous way is no guarantee that payments won't be flagged up in the future.

It's clear following Mr D's points to WU that it took a very close review of the payment and didn't make the judgement lightly. It involved senior colleagues to ensure a thorough process had been followed. I think that's reasonable. WU did act in line with the account terms and conditions that Mr D signed up to. So, I think it acted fairly.

I accept WU's position that it decided the payment was outside its "risk appetite." And in that case, it followed its standard process and regulations. I think that's fair and reasonable in the circumstances.

Having reviewed all the evidence, including the information WU has shared with us in confidence, I'm satisfied that WU were acting in line with its legal and regulatory obligations when it blocked Mr D's account. And stopped the payment reaching him.

I appreciate that Mr D wants to know more about why WU did what it did. But WU isn't obliged to tell Mr D why it blocked his account and stopped the payment. I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

I have carefully considered the actions WU took and how it responded to the contact Mr D made with it. Having done so, on balance, I do not think the customer service fell so far below what I would reasonably expect. The timeline is well known to both parties and I am satisfied that it took WU seven days between Mr D contacting WU and WU returning the payment to source. I don't think this is unreasonable or unfair considering the events outlined above and the necessary steps to unblock Mr D's account.

I understand Mr D's point about the costs of having to use more expensive money transfer services. And the impact he says not being able to receive the money had on him. But as I don't think WU has done anything wrong here I'm not going to ask it to pay any costs or compensation.

**My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 27 January 2026.

Sharon Kerrison  
**Ombudsman**