

The complaint

Mr D complains about MFM Investment Ltd trading as MoneyFarm (MFM). He is not happy with how it responded when a transfer of money into his account with it, was returned unpaid. He says it did not respond effectively, and this caused him distress and inconvenience.

What happened

On 31 January 2025, Mr D requested a faster payment from a third-party bank to MFM for £11,000. The payment was returned unpaid and initially MFM did not know why this was the case.

The initial confusion about why the transfer didn't take place, caused Mr D to visit his bank branch to resolve matters. He said he then had to spend an extended period and effort through emails and phone calls with MFM trying to find out and resolve what happened. Mr D complained to MFM about this.

There was a phone call scheduled on 5 February 2025 between Mr D and MFM, and Mr D said there was another call booked for 6 February 2025, but MFM did not call him.

MFM responded fully to Mr D's complaint on 11 February 2025, and said it was blame for the payment not going through and it said sorry. It said there was an issue with an outage at its corporate bank provider, and this impacted the transaction that Mr D attempted to make. It offered a goodwill gesture of £50 and a waiver of one month's free management fees. It also said there wasn't a call booked in for 6 February but there was a day before on 5 February 2025, according to its logs.

Mr D was not happy with MFM's response and didn't accept its offer. He referred his complaint to our service.

An investigator looked into Mr D's complaint. She said she didn't think MFM had treated Mr D unfairly. She said Mr D's third-party bank sent the payment correctly, but the funds were returned due to issues with MFM's corporate banking provider. She said she appreciated that initially MFM had provided misinformation but shortly after clarified what had happened. She said MFM did cause inconvenience to Mr D, but she felt MFM's offer would put things right. She said from the information she had seen there was a meeting scheduled for 5 February and not a day later.

Mr D was not in agreement with the investigator's view. He said it was him who identified the anomaly with the transfer and not MFM. He said MFM were adamant the fault lay with the other party. He said MFM has not paid him £50.

Because the parties are not in agreement, Mr D's complaint has been passed to me, an ombudsman, to look into.

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 have independently reviewed Mr D's complaint and have arrived at the same outcome as the investigator, for broadly the same reasons, which are:

- Having read all the documents submitted, I can see clearly that the transaction failed because of an outage with MFM's corporate banking provider. MFM have now taken responsibility for this, and I have read in its response to Mr M on 11 February 2025, that it did this and said sorry. I think this is a fair and reasonable action for it to take, considering Mr D was its customer and any failing that occurred from its end, rests with it.
- There was a short period of time between the transaction failing and MFM accepting responsibility for it, that caused Mr D confusion, inconvenience and hassle as he tried to resolve matters in emails, on the phone and by personally visiting his branch. I empathise with Mr D about this and understand his strength of feeling about how inconvenient all of this was. MFM offered to pay Mr D £50 as a gesture of goodwill and waive one month's fees. I think this is a fair offer and is like the sort of thing I would have recommended in these circumstances.
- Mr D said it was him that identified the anomaly and not MFM or its corporate banking provider. I acknowledge what he has said here but that doesn't change what I have already concluded. I can see that MFM have apologised and have offered a fair offer of compensation in the circumstances, to put things right here.
- Finally, there has been some confusion about the appointments, but like the investigator I have looked at what has been provided by the parties and can see from what MFM has logged in its system that there was an appointment booked on 5 February 2025 and not 6 February 2025.

In conclusion, I do think that MFM's offer of compensation is a fair one and is like what I would have awarded for the mistakes that it has made and has taken ownership of. I can see that Mr D initially didn't accept this, so it is now down to MFM to make this payment to him if it hasn't done so already.

My final decision

MFM investment Ltd trading as MoneyFarm has already made an offer to pay Mr D £50 plus waive a month's worth of management fees to settle this complaint and I think this offer is fair in all the circumstances.

So, my final decision is that MFM investment Ltd trading as MoneyFarm should pay Mr D £50 plus waive a month's worth of management fees, if it hasn't done this already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 29 October 2025.

Mark Richardson
Ombudsman