

The complaint

Mr C says MoneyGram International Limited hasn't assisted him in recovering an international payment that he asked it to make for him. He says he's lost out as a result.

What happened

Mr C used MoneyGram's payment services to send money to his daughter in New Zealand on 29 October 2024. He made the payment online. The payment was sent by MoneyGram through its third-party payment processor.

When the funds hadn't appeared in the beneficiary's account, Mr C became concerned and contacted MoneyGram for help. He said he needed proof that the payment had been made to the account.

MoneyGram gave Mr C some information and directed him back to the beneficiary bank, but he says this wasn't helpful as the receiving bank couldn't find the payment. He contacted MoneyGram numerous times and says he didn't always get an appropriate response from its customer services department, which exacerbated the situation and caused him distress and inconvenience.

Eventually the matter was escalated as a complaint. MoneyGram issued a final response to say that it didn't uphold the complaint and said it was satisfied the payment had credited the account. Mr C asked us to take a look.

One of our investigators upheld the complaint after an investigation. She said she couldn't see MoneyGram had provided evidence to show it had assisted Mr C to recover the funds. She said the funds hadn't reached the account from the evidence provided by Mr C. She also expressed concern that MoneyGram should have done more to help Mr C when he had contacted it, which could have resulted in the payment being traced and returned. To settle the complaint, she recommended MoneyGram reimburse Mr C for the transfer. She also asked that it pay £100 compensation for the distress and inconvenience caused along with the transfer fee.

MoneyGram didn't respond to the investigator's conclusions, so the case was put forward for a 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.

Mr C made the payment himself online, without any involvement from MoneyGram. This means that he input the details himself. I've looked at the details both Mr C and MoneyGram have provided, and I can see these match. MoneyGram had an obligation to execute the payment transfer from A to B with due care and skill. But something went wrong along the way as the funds never credited the intended account. I say this because, I've reviewed the information provided by Mr C and the recipient's bank have confirmed the account details

provided by Mr C to MoneyGram were incorrect as the last 3 digits don't match an account held by the recipient.

The last three digits relate to the type of account held by the recipient so rather than being sent to the current account these were directed towards a credit card account which the bank have confirmed the recipient doesn't hold. It told us that this means the payment would bounce back to the initiators account and it has no way of tracing the payment that has bounced.

Mr C contacted MoneyGram whom he'd asked to send the payment for him. He was concerned and looking for help. MoneyGram says it sent a request to its payment processor (a third party) which said that the payment had been successfully completed. And it couldn't facilitate a refund because more than 30 days had passed from when the transaction had occurred. I've thought about this, particularly in light of MoneyGram's own terms and conditions. These say,

"Upon Acceptance of a Transfer it becomes irrevocable. However, the Sender is entitled to cancel a Transfer if the Transfer has not yet been collected or received by the Recipient or credited into the Recipient's account. The Sender can request to cancel a Transfer via our Agent or via our customer service helpline. Where a Transfer is cancelled, we will only refund the Send Amount."

The terms suggest Mr C could cancel the transfer if it hadn't credited the account. But I can't see MoneyGram proposed this to him in light of what he was telling it. There's no reason why MoneyGram couldn't have sought information to corroborate what Mr C was telling it (as we have). Crucially though, I don't find MoneyGram's evidence that the payment was complete is persuasive to show it actually credited the beneficiary's account (albeit the incorrect one) and there's a key difference. I can see our investigator asked MoneyGram for further evidence of the funds being successfully transferred. She also explained while what it had provided was evidence that the payment had been sent, it wasn't persuasive evidence to show it had reached the destination account and it's a view I share.

It may be that the payment was sent to the recipient's bank, but it seems the recipient's bank was unable to apply this credit to the account due to the incorrect information. This may currently be sitting between the recipient's bank and MoneyGram's third-party provider and it's likely this could have been traced sooner to either return the funds or correctly re-submit the transfer.

Having weighed everything up, I can't exclude the possibility that Mr C would've got his money back had MoneyGram done more here, including pushing back requesting a trace be put on the funds, despite what its payment processor was saying. But due to the passage of time further review doesn't appear to be a viable possibility – even though Mr C has raised this issue multiple times prior to MoneyGram taking any meaningful action. So I don't think it's fair that Mr C should lose out.

I need to think about how this complaint should reasonably be resolved given these points. I am directing MoneyGram to reimburse the £180 plus any transfer he may have incurred. Mr C has told us that this was a significantly important transfer for him at a time where he wanted to support his daughter, and the customer service significantly contributed to his trouble and upset. So, I think MoneyGram should also recognise that. I think £100 payment along with a refund of the fee and transfer charges is fair in the circumstances.

My final decision

My final decision is that I uphold this complaint and require MoneyGram International Limited

to make the following payments to Mr C to settle this complaint:

- £180 for the transfer,
- Any transfer fee applied to the transfer, and
- £100 for the distress and inconvenience.

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

Jag Dhuphar
Ombudsman