

The complaint

Mr G is unhappy that Guavapay Limited trading as MyGuava won't refund payments he made because of a task-based scam.

What happened

In summary, Mr G was contacted by someone in November 2024, who he thought was making him a job offer. He was though chatting in a social media app to a scammer. Mr G was shown how to complete a set of tasks and was informed that at on completion of his work; he would receive commission.

Mr G initially was given the scammer's log in information, where they showed him how they were making deposits into their account and how they were getting commission off the back of it. This was to normalise the concept of paying money in, to get money back. Mr G made 4 payments in total on 7 November 2024 and handed over around £2140. He received one withdrawal back of £117.96.

The reason given to Mr G for him to make the payments was about 'super' tasks that created more commission but also a negative balance. Things unravelled quickly though, as Mr G couldn't keep going after being told to pay more money, with the amounts rapidly escalating in value. When this happened, Mr G realised he had been scammed.

Mr G reported what happened to MyGuava on around 8 November 2024, shortly after he made his last payment to the scammer. Mr G then contacted them again on 15 and 18 November 2024 and requested updated on 22 November 2024 and 18 December 2024. MyGuava didn't respond to any of these requests, but it did send a message to him on 24 December 2024, to inform him his account had been closed after a review.

Mr G then contacted his representatives, and they made a formal complaint to MyGuava on or around 7 January 2025. They said MyGuava ought to have done more to intervene and protect Mr G from financial harm. MyGuava replied on 18 February 2025, that didn't think it did anything wrong and the payments he made wasn't picked up by its fraud detection systems.

Unhappy, Mr G brought his concerns to our service to investigate. The investigator could not recommend MyGuava should be required to provide a refund. He was not persuaded it ought to have been concerned about the size or amount of the payments. But he did recommend MyGuava pay Mr G £100 for the distress and inconvenience it had caused by not responding to his concerns about the scam sooner.

Mr G was not in agreement with the investigator. He said, although he accepted £100 payment from MyGuava, he felt it should pay more for the distress and inconvenience caused. He also believed it should have done more so was seeking a reimbursement of the 4 payments. He asked that his complaint be referred to an ombudsman.

Mr G's representatives then asked why MyGuava hadn't paid the £100 offered to Mr G, as MyGuava by this stage, said it would prefer to wait until a final decision was made.

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 outcome as our investigator for these reasons:

- It's accepted that Mr G was the victim of a cruel scam and I'm sorry to read what he's been through. My role is to decide whether it's fair to hold MyGuava responsible for his losses.
- The Payment Service Regulator brought in reimbursement rules that began on 7 October 2024, but they don't apply to payments that are made by card or that were paid to an international beneficiary.
- For payments like these, the starting position in law is that Mr G is responsible for the payments he made. And MyGuava has a duty to make the payments he tells it to. But, as supported by the terms of Mr G's account, that doesn't preclude MyGuava from making fraud checks before making payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- I've carefully considered the circumstances of these payments. This was a new account opened by Mr G and the 4 payments all went to a new payee on the same day, so I would have expected MyGuava to have been aware that these types of transactions have an elevated risk of fraud. But I also think it was fair for it to consider that alongside a range of factors.
- While I appreciate it was a lot for Mr G to lose, I don't find the value of the 4 payments that Mr G made on 7 November 2024 (either individually or cumulatively) ought to have concerned MyGuava. That's bearing in mind the number of similar sized payments it processes and the impracticalities of stopping these.
- MyGuava processes a considerable number of similar payments that have legitimate purposes. I don't think it would be proportionate or fair for me to conclude it ought to have done what Mr G suggested, in the circumstances of his complaint.
- I also don't find MyGuava ought to have been alarmed by the frequency and the overall pattern of the payments. They happened on one day, but I can see no real pattern of escalation. In contrast, job and other types of scams commonly escalate quickly and values increase rapidly. Although I do appreciate that Mr G had made 4 payments in succession, he stopped and realised what was happening before the payments and pattern of these payments stopped short, of where I would have expected MyGuava to have stepped in on this occasion. Taking all this into account, I'm not persuaded that MyGuava acted unreasonably when it processed these payments in line with Mr G's instructions without intervention.
- Mr G and his representatives have been clear about what they think MyGuava ought to have done with regards to the disputed payments. Here, I've carefully considered the individual circumstances of this complaint, and I'm satisfied it didn't act unfairly when it didn't intervene.
- I can also see it did make attempts to recover the payments when Mr G reported

what had happened to it, but on this occasion, these were unsuccessful. I can see the payments were made directly to another individual's card, and it was an international merchant. So MyGuava were relying on the other party making that recovery, which on this occasion didn't happen. I don't think it was being unreasonable by the actions it took here.

I know this will be disappointing news for Mr G. But for the reasons I've explained, I don't think MyGuava can be fairly held to blame for his losses on this occasion.

This leads me to the final issue in relation to Mr G's complaint. I do agree with the award made by the investigator and consider £100 for the distress and inconvenience MyGuava caused him, when it handled his complaint, to be fair and reasonable. It is in line with the sort of award I would have made after reading the circumstances and what has happened here.

I say this because Mr G contacted MyGuava on a number of occasions that I have already mentioned, but without response. I think this would have caused Mr G unnecessary distress and inconvenience, in what would have been a worrying time.

I have read what Mr G's representatives have said about MyGuava not paying this amount, but I don't think they needed to at that very moment. It had not offered to make the payment, rather it was our investigator that had suggested payment as a fair outcome to Mr G's complaint. In the end, Mr G and his representatives wanted to refer his complaint to me, and MyGuava decided it would wait until my final decision, before paying any compensation. I don't think it did anything wrong by wanting to do that. It does need to put things right and make the payment to Mr G now though.

My final decision

My final decision is that Guavapay Limited trading as MyGuava should pay Mr G £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 November 2025.

Mark Richardson
Ombudsman