

## **The complaint**

Ms J complains about Western Union Payment Services GB Limited.

She says that Western Union didn't do enough to protect her when she fell victim to a scam and would like it to refund her the money she has lost as a result.

## **What happened**

Ms J received phone call from someone purportedly from an online selling site 'A' who told her that her account had been compromised.

They requested to take control of her mobile phone to resolve the issue. They then told her that her bank accounts were also authorised and subsequently tricked her into making payments from several different accounts.

One of these transactions was for £290 and made from her account with 'S' to Western Union from where the money was ultimately lost via an international payment.

Ms J realised she had been scammed and made a complaint about what happened to Western Union the same day, but it wasn't upheld. So, she brought it to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld. Ms J asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

## **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 have decided not to uphold this complaint, I know this will be disappointing for Ms J, so I'll explain why.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Western Union is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Ms J says that she didn't authorise the payment herself – she says that the scammer tricked her into opening the account with Western Union and sent the money on her behalf. However, Ms J allowed third party access to her phone and bank accounts, so although she was tricked into allowing the payment and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Western Union should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations

to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Western Union should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks and EMI's are generally more familiar with than the average customer.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Western Union acted fairly and reasonably in its dealings with Ms J when she authorised payment from the account or whether it could and should have done more before processing it.

Looking at the payment question, I don't think that Western Union would have had any concerns about the payment – it wasn't large, and Western Union is often used to make international payments, and so I don't think that there was anything that would have alerted it to the fact that Ms J was being scammed. Ms J's details and mobile number were used to open the account, and the online registration was validated using Ms J's number.

I'm also satisfied that Western Union attempted to get Ms J's funds back from the receiving bank but was unfortunately unsuccessful.

I am very sorry that Ms J has lost money to a cruel scam – but I can't say that Western Union were at fault here.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 15 January 2026.

Claire Pugh  
**Ombudsman**