

The complaint

Mrs K is unhappy Remitly UK Ltd (“Remitly”) won’t refund her a number of payments she made from her Remitly account as the result of a romance scam.

What happened

The circumstances that led to this complaint are well known to both parties, so I won’t repeat them in detail again here. However, in summary, Mrs K fell victim to a romance scam which involved her paying funds to someone she believed she was in a romantic relationship with. Mrs K met this person on a social networking website and had been speaking with him for around a month when he started to ask her to send him money.

Mrs K made the following payments from her Remitly account as a result of the scam. The funds were sent Mrs K’s Indian bank account and from there, on to the scammer.

Payment no	Date	Payee	Payment type	Amount
1	28 October 2024	Mrs K’s current account in India	Faster Payment	£2,000
2	29 October 2024	Mrs K’s current account in India	Faster Payment	£2,000
3	29 October 2024	Mrs K’s current account in India	Faster Payment	£5,046.34
4	30 October 2024	Mrs K’s current account in India	Faster Payment	£8,267.50
5	1 November 2024	Mrs K’s current account in India	Faster Payment	£6,999.99
6	5 November 2024	Mrs K’s current account in India	Faster Payment	£998
7	5 November 2024	Mrs K’s current account in India	Faster Payment	£2,472.08
8	6 November 2024	Mrs K’s current account in India	Faster Payment	£4,998
9	6 November 2024	Mrs K’s current account in India	Faster Payment	£599.25
10	6 November 2024	Mrs K’s current account in India	Faster Payment	£2,497.46
11	8 November 2024	Mrs K’s current account in India	Faster Payment	£3,000
12	12 November 2024	Mrs K’s current account in India	Faster Payment	£500
			Total	£39,378.62

Payments 4, 5, 6 and 11 were facilitated by payments in from Mrs K’s current account held with a third-party bank - which I will refer to as “H”.

Payments 7, 8, 9, 10 and 12 were facilitated by payments in from another of Mrs K's current accounts held with a third-party bank - which I will refer to as "L".

Mrs K says she realised she'd likely been the victim of a scam when the man she was speaking with kept asking for more money. So, she reported what had happened to her to Remitly, as well as H and L.

Remitly looked into Mrs K's complaint but didn't think it should be upheld. It said Mrs K had made numerous transfers to her account in India since she opened her Remitly account in 2022. So, there wasn't anything unusual about the scam payments that meant Remitly should've stopped them and spoken to Mrs K before they were allowed to leave her account.

Mrs K didn't agree with Remitly's response so she brought her complaint to this service and one of our investigators looked into things.

Our investigator partially upheld the complaint. They thought Remitly could've done more to prevent Mrs K's loss from Payment 4 onwards. However, as H had already refunded Mrs K the amount the investigator would've recommended Remitly pay in relation to Payments 4, 5, 6 and 11, they didn't think Remitly had to pay any further redress in relation to these payments. The investigator recommended Remitly pay Mrs K 50% of Payments 7, 8, 9, 10 and 12 as they thought Remitly could've done more to prevent these payments from leaving the account but Mrs K could've done to prevent her loss too.

Mrs K didn't agree that this was a fair resolution to her complaint and neither did Remitly. It said the investigator was holding it to an incorrect standard and that the scam payments were in line with the usual usage of this type of account and so hadn't warranted intervention before they were allowed to leave the account.

As an informal agreement could not be reached, the case has been passed to me for a final 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that firms, like Remitly, are 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. However, whilst Remitly was not required or obliged under contract to make checks, I am satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good practice at the time, it should fairly and reasonably have been on the look-out for the possibility of APP fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances – as in practice all financial firms do.

So, overall, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Remitly 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 are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all financial firms do.
- Have been mindful of – among other things – common scam scenarios, the evolving fraud landscape (including for example the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene.

Should Remitly have fairly and reasonably made further enquiries before it processed Mrs K's payments?

I'm not persuaded that the first three scam payments that left this account were so unusual that they should've prompted an intervention from Remitly. They first two are for relatively modest amounts and are being made to an account in Mrs K's own name (that she had paid funds to before). So, I'm not minded to make any recommendations in regard to the first three payments.

The above being said, I am persuaded that Remitly should've had some concerns about the activity on Mrs K's account once she attempted to make the fourth scam payment for £8,267.50.

This is the second high value payment being made on consecutive days and Mrs K's total outlay is now over £17,000. As the investigator pointed out, this is a marked difference to how Mrs K usually uses this account – her payments usually amount to less than £3,000 and are few and far between, sometimes separated by months of inactivity. And so, I'm satisfied that consecutive high value payments from this account were unusual and that Remitly ought fairly and reasonably to have identified from the information available to it that there might be an increased risk associated with this payment leaving Mrs K's account – there had now been a series of payments that were generally increasing in value. And whilst there may have been legitimate reasons why Mrs K was making a series of payments in a short period, I am satisfied Remitly ought to have recognised the enhanced scam risk.

In reaching my view that Remitly ought fairly and reasonably to have made further enquiries from this point onwards, I consider Remitly ought to have been mindful of the potential risk to Mrs K of 'multi-stage' fraud – whereby victims are instructed to move funds through one or more legitimate accounts held in the customer's own name to a fraudster. The use of and risks to consumers of multi-stage fraud were well known to firms in 2024. But this isn't enough for me to say that Remitly should refund Mrs K the remaining money she's lost, I also need to be persuaded that proportionate intervention by Remitly would have made a difference and prevented the following payments from being made.

If Remitly had made further enquiries before processing the payment, would that have prevented the losses Mrs K incurred?

Of course, I can't know for sure what would have happened had Remitly probed Mrs K further about these payments. So, I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened.

Had Mrs K told Remitly that she was being asked to send money to a man she had only recently met online, I'm satisfied Remitly would have immediately recognised that Mrs K was falling victim to a scam. It would have been able to provide a very clear warning and, given that Mrs K had no desire to lose her money and nothing to gain from going ahead with the payment, it's very likely that she would have stopped, not followed the scammer's instructions and her loss would have been prevented.

Had Remitly contacted Mrs K to discuss the payment, I'm satisfied that it's more likely than not that the scam could've been uncovered. Mrs K hadn't been given a cover-story by the scammer and would've had no reason to lie to the bank if actively engaging with someone in real time. And I'm satisfied that had Remitly, after asking relevant probing questions, identified that Mrs K had not met the person she was sending money to in-person, it would've fairly quickly identified that Mrs K was about to fall victim to a scam and could've prevented any further payments from leaving her account.

For this reason, my starting position is that I am minded to say it would be fair and reasonable for Remitly to take responsibility for some of Mr K's overall loss from the fourth scam payment onwards. However, For the reasons I'll set out below, I'm also satisfied that Mrs K should also bear some responsibility for the success of the scam. And I also have to take into account that Mrs K has also received some of these funds back as part of her complaint about H.

Should Mrs K bear any responsibility for her losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

My intention is not to further Mrs K's distress where she's already been the victim of a cruel scam. However, I am satisfied that Mrs K should've had serious concerns about what she was being told by the scammer from the outset and that she should've questioned the legitimacy of their supposed relationship. When Mrs K began sending funds to the scammer, she was essentially sending funds to a stranger she had only recently met online and who she had not met in person. She'd also not taken any steps to verify that the scammer was who he said he was or to verify what he was telling her.

Ultimately, Mrs K placed a lot of trust in someone she'd not met in person although it's clear that she was able to critically analyse some of what he was telling her. And so overall, I'm satisfied that Mrs K should also bear some responsibility for her loss.

Could Remitly have done anything else to recover Mrs K's money?

I've also thought about whether Remitly could have done more to recover the funds after Mrs K reported the fraud. However, I don't think it could. The payments under discussion here had been made to an account in Mrs K's own name and sent to the scammers account before Mrs K reported being the victim of a scam. And so, I don't think there was anything more Remitly could've done to recover the money in these circumstances.

Calculating fair compensation

The funds under discussion here were initially transferred from Mrs K's current accounts held with H and L. As Mrs K has also made complaints about H and L, when deciding this complaint, I also need to think about whether H and L could've done more to protect Mrs K from financial harm from fraud and take into account any refunds that have already been paid to Mrs K.

In this case, Payments 4, 5, 6 and 11 were facilitated by incoming payments from Mrs K's current account at H, and H has already paid Mrs K redress in relation to these payments amounting to 50% of her loss. So, even though I'm satisfied Remitly could've done more to protect Mrs K from losing these funds, I won't be recommending Remitly pay any further redress in relation to these payments. I say this because had I looked at Mrs K's complaints about H and Remitly together, I would've recommended that Mrs K get back 50% of her overall loss in relation to these payments. I would've recommended Remitly pay 25% of Mrs K's loss and I would've also recommended that H pay Mrs K 25% of her loss.

So, overall, I would've only recommended that Mrs K get back 50% of her loss in regard to these payments. And as H has already returned this amount to Mrs K as part of its investigation into her complaint, I'm satisfied Mrs K has already received fair redress in relation to these payments and I won't be requiring Remitly pay anything further in relation to them now.

Payments 7, 8, 9, 10 and 12 were facilitated by payments in from Mrs K's current account at L. I'm not persuaded L could've prevented Mrs K's loss. And so, for the reasons set out above, I'm satisfied that it would be fair and reasonable to require Remitly to pay redress amounting to 50% of Mrs K's loss in relation to these payments – plus 8% simple interest. Also for the reasons set out above, I'm satisfied Mrs K should bear responsibility for the rest.

My final decision

My final decision is that I partially uphold this complaint about Remitly U.K. Ltd. It should now pay Mrs K:

- 50% of her overall loss in relation to Payments 7, 8, 9, 10 and 12.
- 50% of the fees charged in relation to the above payments.
- 8% simple interest per year on that amount from the date of each payment to the date of settlement. *

*If Remitly considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs K how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 19 December 2025.

Emily Hanley Hayes
Ombudsman