

The complaint

Miss C complains that MoneyGram International Limited (“MoneyGram”) unfairly closed her profile with it following her raising a dispute regarding a transaction she’d made through it.

What happened

On 23 June 2025 through her MoneyGram mobile app Miss C instructed MoneyGram to send £50 to a relative abroad selecting a cash pickup from a post office destination.

MoneyGram sent the money to the destination as requested and updated its systems to show the funds status as being picked up and the transaction as complete.

Instead of collecting the funds in cash the recipient opted with the post office to receive the funds by e-transfer and provided their bank details to the post office. Being a new transaction/transfer, this resulted in a new reference being generated.

Unfortunately, the money was rejected by the receiving bank and returned to the original destination account on 24 July. Miss C purchased an international calling card and phoned the post office who provided the recipient with a new reference and they were then able to pick up the cash in person the following day from a different post office.

During this period having concerns about the transaction Miss C contacted her bank on 17 July 2025 and arranged to have it refund her the money as part of the “Visa Chargeback Scheme” and a chargeback of £70.21 was recorded against MoneyGram.

MoneyGram’s terms and conditions state under section 2.5 it can close an account at any time including if:

(b) the Sender’s card issuer attempts to charge back a Transfer on the basis of a dispute related to a Transfer;

In-line with this MoneyGram closed Miss C’s profile and Miss C raised a complaint.

MoneyGram didn’t uphold Miss C’s complaint as it says the transfer was completed successfully and that as the receiver had selected to receive the funds by E-Transfer it was for them to follow this up with the service provider.

Miss C was dissatisfied with this. Miss C believes MoneyGram is responsible for all the problems and costs she incurred in tracing the transaction as it allowed another option for picking up the funds resulting in another transaction reference being generated. Furthermore, Miss C thinks it unfair that MoneyGram can suspend a customer’s profile in the event they dispute a transaction with their bank.

One of our investigators looked into Miss C’s concerns but didn’t think MoneyGram had made a mistake or treated Miss C unfairly. They found that MoneyGram had completed the transfer in line with Miss C’s instructions and didn’t think it would be fair to hold MoneyGram

responsible for delays in receipt of the money due to a third-party making changes to the transaction especially as the money was not in MoneyGram's control during this period.

Furthermore, as Miss C raised a chargeback on the transaction – in breach of MoneyGram's terms - they didn't agree that MoneyGram had made a mistake in closing Miss C's account and so didn't think MoneyGram needed to do anything more.

Miss C disagreed and asked for an ombudsman's decision on the matter. She says MoneyGram failed to follow her instructions to allow the cash to be collected in person and that it did not inform her the recipient would be given another option. She believes if MoneyGram hadn't allowed this the funds would've been collected under the original reference and her account wouldn't have been affected.

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.

Firstly, I need to make it clear my decision only relates to the service received by Miss C from MoneyGram in relation to her account with it and not MoneyGram's action taken in relation to another customer's account which would need to be raised as a separate complaint.

It might help if I explain here my role is to look at the problems Miss C has experienced and see if MoneyGram has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put Miss C back in the position she would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having carefully considered everything I'm in agreement with our investigator and don't think there is anything much more of use that I can add.

I sympathise with Miss C as she had genuine concerns that the money had been lost. But this is not due to the actions of MoneyGram, but rather purely down to the recipient of the funds choosing to enter into another transaction with another entity regarding receipt of the funds.

I appreciate Miss C believes that only at the point her recipient receives the funds is the completion of the transaction. But I disagree, I consider the transaction Miss C had with MoneyGram was to send money to an agreed destination – which it did. It wasn't MoneyGram who failed to follow her instructions it was the recipient.

And as MoneyGram has no control over the recipient's movements and how they choose to receive money waiting at the agreed destination – in this case by entering into another transaction with a third-party - I don't think it would be fair to penalise it for this.

I appreciate that the changes in references caused confusion and delays, but again neither of these things were down to MoneyGram's actions or were in its control as the new references were created as new transactions were entered into with third parties.

And so I don't agree that MoneyGram made an error in carrying out Miss C's instructions.

And nor do I think it has done anything wrong or acted unfairly in closing Miss C's profile. Although I accept Miss C had genuine concerns about the whereabouts of the money and this is the reason for her raising the chargeback. This action adversely affects MoneyGram in terms of both reputation and cost. And as this was a case where I don't think there was an

error on its part, I don't think it has acted unfairly in closing Miss C's profile in line with its terms and conditions as it entitled to do.

So it follows I don't uphold Miss C's complaint.

My final decision

For the reasons I've explained I've decided not to uphold Miss C's complaint against MoneyGram International Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 13 January 2026.

Caroline Davies
Ombudsman