

The complaint

Ms M complains about the response of PaySend PLC (PS) after she sent a payment.

What happened

In September 2025, Ms M initiated and sent a payment using PS to a family member of USD600. The recipient contacted Ms M after a number of days to say they had not received the funds so Ms M contacted PS and after communication, it was established that Ms M had provided incorrect beneficiary details for the payment, therefore Ms M requested the payment be cancelled.

PS responded to say they could not cancel the payment as it was already with the recipient's wallet provider, so a recovery was not possible. Ms M says she made her own enquiries about the payment and said she had been informed in view of the error, the payment had been reversed and returned to PS. After Ms M made PS aware of this and logged a complaint, PS asked for documentation with specific details of the returned funds which Ms M supplied. PS explained to Ms M they had initiated a trace utilising their partner bank and received confirmation the payment was successful, and due to activity on the recipient's wallet, the funds had been used meaning the recovery of the funds on this transaction was not possible. PS issued a final response letter reiterating this.

Unhappy with the apparent contradictory information Ms M was faced with, in that she had been told the funds had been returned by one firm, yet PS said they were successfully applied, she brought the matter to our service.

Our investigator completed a full investigation and concluded that they were satisfied PS did everything they could under the circumstances so would not be asking PS to do anything more. Ms M disagreed with this outcome and requested an ombudsman review her complaint.

After my initial review, I asked the investigator to reach out to PS with certain search criteria requirements and as a result, PS responded to say they have successfully located the funds as returned, and have authorised a refund of the GBP equivalent amount £454.80 to Ms M.

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.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint, and accordingly I uphold the matter. And I'm also aware that the dispute over a fundamental issue within this complaint i.e. the whereabouts of the funds, has now been resolved with the funds being recredited to Ms M.

What I wanted to consider was whether I'm satisfied that PS did enough when Ms M presented her predicament to them. The undisputed facts are that Ms M sent the funds, and in doing so made a mistake with a piece of beneficiary information, which led to the funds not crediting as expected.

I have seen that PS made efforts to initially trace the funds, and were informed internally that they had been allocated, albeit to another account. And it's important to accept that PS have to rely on information they obtain from internal departments and correspondent institutions they may use.

That it seemingly took our service's involvement, and my own enquiries to locate the funds does not necessarily indicate that insufficient effort was made previously, or PS didn't do enough. So I can't be certain that PS should be held responsible for everything that happened after the payment was made. That said, I would hope that PS take this complaint as a case they can examine, and take the necessary learnings from – in particular communication with a customer during an active complaint - with an aim that other customers may enjoy a more straightforward journey in similar circumstances.

And an important point to note is that Ms M's intention was always to be without the funds, as she was sending them to a family member. Therefore, I can't consider anything compensatory to represent Ms M being deprived of the money.

Another reason I can't address compensation for how PS handled the complaint is to do with our regulator's rules. Our regulator the Financial Conduct Authority (FCA) makes clear that complaint handling is not classed as a regulated activity, meaning it does not fall within the remit of our service.

I very much empathise with Ms M within this complaint, and can understand her frustration regarding the information she obtained from PS, and from her own enquiries.

In summary, while Ms M may be unhappy that I have not considered any form of compensation, I hope she can understand why. And despite her dissatisfaction with PS, I am very pleased that the funds have been located, and refunded without any chargeable deductions.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 13 April 2026.

Chris Blamires
Ombudsman