

The complaint

Ms Z complains Paysafe Financial Services Limited (PFS) failed to successfully undertake an international transfer to a third-party bank, causing her to lose over 130USD.

What happened

I sent the parties a provisional decision in February 2026, in which I set out the following background information to the complaint and my provisional findings, as follows:

Ms Z explained PFS decided to close her account with a balance of 277.03USD. She instructed PFS to send the funds to an overseas bank, but the funds didn't arrive. Ms Z explained the payment was refunded, however, she only received 143.49USD back into her account.

Ms Z states the third-party bank she was transferring the funds to confirmed it didn't receive the payment from PFS and therefore didn't reject it.

Ms Z said PFS hasn't justified the missing funds, or fees charged for the transfer or provided proof the transaction was returned by the beneficiary. Ms Z provided a copy of her statement for the bank account in question, which didn't show any credit to it. Ms Z said she wants a full refund of the 277.03USD and £400 compensation for the distress and inconvenience this has caused her.

PFS said it decided to close Ms Z's account on 28 April 2025. PFS agreed the closing balance on the account was a total of 277.03USD.

PFS said Ms Z asked it to send the balance to a non-UK USD bank account Ms Z had, which it processed on 2 May. PFS said the payment had to be processed internationally in EUR and therefore conversion fees may apply.

PFS said Ms Z contacted it on 9 May and reported the funds hadn't reached her account. PFS investigated and said the funds had been rejected by the receiving bank and sent back. The returned amount was 143.49 USD which it credited back to Ms Z's PFS account. PFS recommended Ms Z contact her non-UK bank to understand why the funds had been returned.

PFS confirmed it hadn't charged Ms Z any fees when transferring the funds to her overseas bank and had sent the full 277.03USD. PFS said it outlined the fees payable in the fees section of its website. PFS said it couldn't provide the MT103 form since the payment had been returned by the recipient bank.

Our investigator didn't think PFS needed to take any further action. They accepted the evidence showed PFS had sent the funds in full after converting them to EUR and then received a reject/return from the recipient bank of only 143.49 USD. They therefore didn't think it was reasonable or fair to hold PFS liable for these funds as it had carried out the instruction as Ms Z had asked.

Ms Z rejected our investigator's recommendation, so her complaint has been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate how strongly Ms Z feels about her complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

PFS has provided our service with evidence it converted the funds to 232.54EUR and sent it to the account Ms Z requested it to. PFS also provided our service with a copy of the information it received when it received the payment back. This shows 120.45EUR were received back on 14 May, the reasons for the return was; 'unknown reason'.

I asked PFS to clarify a series of eight points regarding the transfer. Importantly, these questions included why PFS had decided to transfer the funds to EUR when it was apparently a USD to USD bank account transfer, and provide details about the agreement about how the transfer would be processed, details of the intermediary bank and the fees, exchange rates and charges involved.

Despite chasing PFS for this information, our service didn't receive a detailed response to these questions.

In the circumstances, DISP 3.5.9R states the ombudsman may reach a decision on the basis of what has been supplied and take account of the failure by a party to provide information requested.

The facts are PFS decided to close Ms Z's account, she therefore had no option but to request a transfer of her outstanding funds to another bank. Whilst I appreciate PFS had the right to close Ms Z's account, and that matter is not part of this complaint, I do accept it left her with no option but to move the remaining funds from this account.

From the evidence I have seen, she asked for a transfer from a USD account with PFS to another USD account overseas. Importantly, despite asking PFS for this information, I remain unclear why PFS decided to convert these funds to EURs. I provisionally think this would have caused Ms Z to have incurred fees and exchange rates, potentially at both ends of the transfer.

I asked PFS for any messages sent or received through the SWIFT system, to explore what were the reasons for the failed transfer, as it may have shown what occurred and why only 120EUR were returned, again, I wasn't provided with this evidence by PFS.

I also haven't seen any agreement Ms Z reached with PFS to convert these funds to EURs before sending them, despite also requesting this twice.

In lieu of the evidence I requested, I provisionally strongly suspect, on balance, the decisions taken by PFS directly caused the losses Ms Z experienced.

In summary, I am not satisfied PFS has provided evidence of an agreement to undertake the transfer as it did, it has only provided evidence it received back the funds it credited to Ms Z's account, but not the reasons for this.

I understand the outstanding balance on Ms Z's account has now successfully transferred to a third party, the difference outstanding and lost by Ms Z is therefore 133.54USD.

In the current circumstances, I am not provisionally persuaded it is fair Ms Z should be held responsible for these losses.

I am therefore currently minded to require PFS to refund 133.54USD to Ms Z and also pay 8% simple interest on these funds until the date they are refunded. As I am provisionally upholding this complaint, I also currently think PFS should pay Ms Z £150 compensation for the distress and inconvenience this transfer caused her.

My reasons for the compensation are Ms Z has been asking for clarification throughout and has clearly experience some inconvenience and distress. However, I am also mindful this was a one-off incident requiring a reasonable effort to sort out.

As this is a provisional decision, I invite both parties to make further representations to our service. To be clear, this is the decision I am currently likely to make based on the evidence I have at this time. I reserve the right to alter my final decision if further material evidence is provided by either party which persuades me differently.

My provisional findings and the parties' responses

Ms Z responded accepting my provisional decision.

PFS responded rejecting my provisional decision. It said it didn't charge Ms Z any transfer fees and sent the full 277.03USD and refunded the amount it received back when the transfer wasn't successful. It reiterated the losses Ms Z incurred were 'beyond Paysafe's control'.

I have considered carefully the response PFS provided, however, it still hasn't provided the evidence to support what occurred. For example, PFS has acknowledged intermediate banks were used, but hasn't explained or provided evidence of why the payment was sent in EUR or what communication PFS had with the intermediary banks.

For these reasons, and having sought further information from PFS before finalising this view, I remain of the same view I did in my provisional decision, and refer PFS again to DISP 3.5.9R.

My final decision

For the reasons I have given, I require Paysafe Financial Services Limited to refund Ms Z 133.54USD. I also require Paysafe Financial Services Limited to pay 8% simple interest on these outstanding funds from 2 May 2025 until the date it refunds the 133.54USD to Ms Z.

I require Paysafe Financial Services Limited to pay Ms Z £150 compensation for the distress and inconvenience it has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 27 March 2026.

Gareth Jones
Ombudsman