

complaint

Mr J complains that MoneyGram International Limited's actions have caused him to lose money to a fraudster.

background

Mr J was buying goods from overseas. He decided to pay for them by money transfer. He says he was told the recipient couldn't access the money without an 8-digit number. Mr J says he didn't tell the seller the number. He wanted to wait until he received the goods.

But MoneyGram allowed the seller to collect the money without the number. Mr J hasn't received the goods he ordered. He appears to have been the victim of fraud. And he wants MoneyGram to refund him. The adjudicator's view was that Mr J's complaint should not be upheld. Mr J didn't agree, so the matter has been referred to me for a final decision.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

There is a dispute between the various parties as to exactly what Mr J was told when he went to the Post Office to arrange for the money transfer. Mr J says he was told by the Post Office (acting as an agent for MoneyGram) not to put the 8-digit reference number on the transfer form. This was so the seller couldn't collect the money until Mr J had received the goods. Once he had the goods, Mr J could provide the reference number.

The recollections of staff at the Post Office do not correspond with Mr J's account. They say that it was Mr J who asked for the reference number not to be added to the transfer form and that he said he would only hand it over once the goods were received. In these circumstances, it is difficult for me to decide which of these two explanations is most likely.

I must also consider what the documentation produced at the time and signed by Mr J suggests. The transfer form Mr J signed begins with this text, which is prominently placed and is in large, bold print:

"FRAUD WARNINGS! STOP! PLEASE READ THE QUESTIONS BELOW CAREFULLY TO HELP US PROTECT YOU FROM BECOMING A VICTIM OF FRAUD OR A SCAM."

The consumer is then asked whether they are sending money for any of a number of example scenarios, including sending money to a stranger to buy goods from the internet or to prove to someone that you have the available funds to buy goods.

The section ends with the following warning – again, in bold print:

"If you answered YES to any of these questions, DO NOT SEND the money transfer – someone may be trying to STEAL YOUR MONEY. Remember neither MoneyGram nor its agents will be liable if you ignore the fraud warnings above and still choose to send money for any of the reasons listed above."

Despite a very clear warning, relating directly to what Mr J was doing, he chose to go ahead with the money transfer. I can see from the transfer form he signed that the 8-digit reference number was not included but the intended recipient was still able to collect the money.

I understand that in order to collect the money, the recipient needed to provide certain information about the sender including: name; phone number; and the amount and date of the transfer. Although the 8-digit reference number was not given to the recipient, it appears they were able to satisfy these requirements and collect the money.

On the reverse of the transfer form signed by Mr J were the terms and conditions. Paragraph Section 5.2 says:

“The 8 digit reference number of the transfer given to you at the time of the transfer will normally also need to be provided to the service rep by the intended receiver. Please note that the 8 digit reference number is not always required to collect the money (again, you can find out what is required from your service rep).”

I have taken account of what Mr J has said about being told that the 8-digit number would be needed to collect the money. But I understand that MoneyGram operates in 200 countries. So it would be difficult for any agent to know each of the different requirements and processes are in place in each country.

Also, I would expect Mr J to have read the transfer form before signing it and sending the money. I think the warning on the front of the transfer form he signed, together with the terms and conditions were enough to alert him to the dangers. But he chose to go ahead with the transfer.

The main feature of MoneyGram (and other similar transfer services) is that the money reaches the recipient quickly and can be drawn by them in cash on production of identification, without the need to have an existing account or prior registration. I cannot see that Mr J was misled about that when he made the transfer.

As the adjudicator has explained, I have no standing to consider a complaint about the overseas recipient office.

my final decision

I have sympathy for Mr J, who appears to have been the victim of fraud. But, given my findings, I cannot fairly conclude that MoneyGram International Limited is responsible for Mr J's loss, and so my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr J to accept or reject my decision before 29 June 2015.

Jagdeep Tiwana
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