

The complaint

Mr F is unhappy that MoneyGram International Limited ("MoneyGram") refused to carry out a service for him. Mr F is insulted by this and wants to know why he is restricted from using its services.

What happened

Mr F visited a shop of MoneyGram to arrange a money transfer where he was advised that he was not able to send the money due to being blocked.

Mr F complained to MoneyGram about this. MoneyGram says all transactions are subject to careful review and ongoing monitoring and that it conducts periodic reviews of consumers activities and may put restrictions in place. In Mr F's case following review it took the decision to restrict the services he uses and due to security reasons, it isn't able to provide information about its review process.

Mr F was unhappy with this so brought his complaint to this service.

One of our investigators looked into Mr F's concerns and reached the conclusion that MoneyGram hadn't treated Mr F unfairly as its terms and conditions allow it to refuse a service and it doesn't need to provide a reason why.

Mr F disagreed, he says he was told he was banned as he was a security risk and wants to know why and has asked for an ombudsman's 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.

My role is to look at the problems Mr F has experienced and see if MoneyGram has done anything wrong. If it has, I would seek – if possible - to put Mr F back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

As a general rule MoneyGram isn't obliged to continue offering a service to a customer if it doesn't want to or provide a reason or justification for its decision not to. Just as a customer doesn't have to explain why they may take their business elsewhere. What services a business provides and to who is a commercial decision and not something for me to get involved with.

That being said it wouldn't be fair for MoneyGram to refuse Mr F a service outside its terms and conditions or without reason.

MoneyGram's terms and conditions under section 3.4. say that it may at its sole and absolute discretion refuse to accept a transfer where:

“(a) by doing so we might break any law, regulation, code or other duty that applies to us; (b) doing so may expose us to action from any government or regulator; (c) it may be linked with fraudulent or illegal activity or used for an unlawful purpose; or (d) we have taken a decision to do so in accordance with our internal policies. In such cases, we will endeavour where allowed by law and our internal policies to provide the reason for refusing to accept the Transfer”.

So in short MoneyGram’s terms and conditions say it can refuse a service and doesn’t need to provide a reason why.

Even though MoneyGram doesn’t have to provide a specific reason why a customer can’t use a service it provides, I’d expect its reasons for not providing a service to be fair and reasonable. And from the information I’ve seen, I’m satisfied that MoneyGram’s reasons for not wanting to carry out Mr F’s transfer are due to legitimate concerns it has and its need to protect customers.

I appreciate Mr F feels personally insulted by MoneyGram’s decision – but he should bear in mind that MoneyGram takes these precautions to *protect* both the sender and the recipient of money transfers from *potential* fraudulent activity and it accepts that sometimes legitimate transactions are disrupted.

So on this basis I’m satisfied MoneyGram hasn’t made an error or treated Mr F unfairly. It was entitled to restrict the services it offers to Mr F and doesn’t need to provide a reason.

And it follows that I do not uphold Mr F’s complaint.

My final decision

For the reasons I’ve explained I’ve decided not to uphold Mr F’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr F to accept or reject my decision before 7 November 2023.

Caroline Davies
Ombudsman