

The complaint

Mr V complains that Wise Payments Limited trading as Wise won't refund him the money he lost when he sent it to one of their customers as the result of a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In February 2020 Mr V was sadly the victim of a 'safe account' scam. He was tricked into sending €13,850 from his own account to an account held with Wise.

As soon as Mr V realised he'd likely been the victim of a scam he informed both his own bank and Wise. Ultimately Wise returned around €4,500 to Mr V which they'd recovered from their accountholder. Mr V complained, he would like to be fully reimbursed. He thinks Wise have failed in their obligations in relation to the account they allowed to be opened and operated. Wise maintained their position and the matter was referred to our service.

One of our Investigators didn't recommend that the complaint should be upheld. In summary, she thought Wise had acted fairly and didn't think they reasonably could have done more to prevent Mr V's loss. As he still disagrees, Mr V has asked for an Ombudsman to review his complaint.

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.

Having done so, I've reached the same outcome as our Investigator and for essentially the same reasons. It is clear from his submissions how important this complaint is to Mr V and the impact being the victim of a scam has had and continues to have on him. So I understand my outcome will be very disappointing.

Mr V has also made some detailed submissions in relation to his complaint. I've read and considered all of these, but I won't be responding in similar detail. I'll primarily keep my findings to the reasons for my decision. This isn't intended as a discourtesy and is just a reflection of the informal nature of our service.

I'm satisfied that Wise correctly followed their processes when opening the account that later received Mr V's funds. There isn't anything that I think reasonably could have alerted them at that time that the account they were opening would later be used in connection with a scam. So, I don't think Wise could have prevented any of Mr V's loss in that way.

I've also reviewed the activity on the Wise account both prior to and after Mr V's payment arriving in the account. There isn't anything that I think reasonably would have stood out as

unusual or suspicious where I think Wise ought to have intervened. So again, I don't think there were any failings in this respect which could have prevented Mr V's loss.

Once notified that Mr V's payment had been made as a result of a scam, I'm satisfied Wise promptly took the appropriate action. I can understand why Mr V is disappointed that only around a third of the money he had sent was recovered and returned. But I don't think Wise reasonably could have recovered any more in these circumstances.

I've also considered the service Wise provided when dealing with Mr V. Mr V said in response to our Investigators view that he was told by Wise that all his money had been secured and would be returned. I've not found further evidence to support that Mr V was told this. And even if he had been, I couldn't fairly ask Wise to refund the full sum, as having looked at the detailed evidence regarding the times payments left the account in question, Wise were never going to be in a position to return all the money. For completeness, I also don't think that Mr V was provided with poor service by Wise in his dealings with them.

I'm of course sorry to hear that Mr V was the victim of a scam. I accept he was scammed and has lost a significant amount of money. But that doesn't automatically entitle him to a full refund. It would only be fair for me to tell Wise to provide further redress if I think they failed in such a way that caused or contributed to Mr V's loss or hindered its recovery. And as I don't think they did, I'm not going to tell them to do anything further to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 6 April 2022.

Richard Annandale
Ombudsman