

## **The complaint**

E a company complains that Wise Payments Limited did not refund them a transaction they claim was fraudulent.

E is represented by its director Ms R.

## **What happened**

E had an account with Wise. On 29 July E transferred £698.45 to its supplier abroad for the payment of an order for goods.

E has said only half the goods arrived and the goods that did arrive were faulty and the wrong colour or size. E attempted to contact its supplier abroad. E told us the supplier refused to refund the money.

On 12 September E complained to Wise. It said they had been a victim of fraud because they hadn't been provided with the goods they had contracted for. E wanted Wise to return the funds to them.

Wise said it was unable to return funds to E as the funds had already left E's account. Wise also said it wouldn't get involved in disputes between a buyer and a seller. Ms R told Wise on 30 October the recipient of the funds was a fraudulent recipient. Wise confirmed they had put in a recall of the funds, but this hadn't been successful.

E was unhappy with Wise's response so complained to our service.

One of the investigators looked into the complaint. She said she didn't think Wise had done anything wrong as it wasn't able to recall the payment itself and had followed E's instructions when E wanted to transfer money to its supplier abroad. The investigator also said Ms R had sent a further transfer to the same supplier in October 2020. She didn't think a company who had been scammed by a supplier as Ms R was claiming would try and do business with the same company again.

Ms R was unhappy with the view she said the issue was with the second order which hadn't been received. Ms R said E was scammed out of the second order. And the goods they received from the first order were faulty.

The investigator asked for evidence of the first order as Ms R had previously said it was the first time E had purchased from that supplier. MS R sent further evidence and a timeline. She said the further 220 USD transfer to the same business was to secure the sending of the missing stock. Ms R says this was requested by the supplier and E agreed as a way to get hold of their missing stock.

As there was no agreement the matter has come to me to decide.

## **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.

The crux of this complaint is that Ms R believes Wise should refund E for the losses they have experienced due to the supplier not supplying the full order and supplying faulty goods. Ms R says she has been scammed by the company because E hasn't received what it contracted for.

I can see from the evidence that Ms R on behalf of E authorised a payment to be made to their suppliers abroad. Wise acted on these instructions and processed the payments to the supplier. I am satisfied that the payment isn't a disputed transaction.

Ms R let Wise know she thought the supplier was a scam company and so Wise recalled the payment. I have seen Wise relied on section 12.13 of the Terms and conditions and used reasonable efforts to recover the funds. This is what I would expect Wise to do in the circumstances.

I have looked at Wise's terms which E would have agreed to when they opened the account with Wise, Section 21.3 states Wise isn't liable for business losses if their services are used for commercial purposes.

Wise let Ms R know they wouldn't get involved in disputes between the seller and the buyer and that once the payment is processed the funds can't be recovered. Ms R has said other firms operate differently. I appreciate other firms may operate differently and investigate buyer seller disputes, but I can only look at how Wise operates.

Having looked at the evidence I can't say Wise has done anything wrong here. They have processed a payment to the supplier as requested using the information provided to them by E. And they have tried to recall the payment once this was made at the request of Ms R.

I appreciate that Ms R is concerned about her business and is unhappy that she hasn't received goods she ordered but this isn't something I can hold Wise responsible for. This is a contract dispute between a buyer and a seller where the seller hasn't provided the buyer with the goods as per the terms of the contract. I appreciate for a small business not receiving goods ordered and paid for is very difficult. However, Ms R wishes Wise to compensate her for this. E may have a valid claim for breach of contract against its supplier. The supplier is overseas and pursuing such a claim will be difficult and expensive. I can see why Ms R would prefer that Wise refund her the payments it has made to the supplier rather than pursue a claim abroad. However Wise followed the instructions it was given by E and I don't think it has done anything wrong in this case. It follows I won't be asking Wise to do anything here.

### **My final decision**

For the reasons stated above I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 22 November 2022.

Esperanza Fuentes  
**Ombudsman**