

The complaint and what happened

Mr F complains Wise Payments Limited won't reimburse money he lost as a result of a scam.

The full details of this complaint as well known to both parties, so I won't repeat them here. Instead, I'll recap the key points and focus on giving reasons for my decision:

- Mr F invested with Inquot Investing Group. He sent €5,000 in July 2020 to SLV PARTS. He subsequently became aware he had been scammed and asked Wise to reimburse his transaction.
- Wise declined to reimburse any funds as it wasn't possible for it to know Mr F was being scammed at the time, and as the payments were sent four months prior to the issue being raised there was no chance of recovery.
- Our investigator also didn't uphold the complaint. She explained that as Wise is an electronic money issuer, set up with the purpose of sending and receiving money, including internationally, the payments wouldn't have looked unusual.
- Mr F asked for the matter to be referred to an ombudsman. In doing so, he has made reference to the Contingent Reimbursement Model (CRM) and the guidance at BSI PAS 2017 17271, amongst others, and that Wise should have done more to protect him from the risk of fraud.

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.

I would like to reassure the parties that although I have only set out the key points of the complaint, I have read and considered what's been provided. Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Under regulations and in accordance with terms and conditions, authorised payment instructions should be executed without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making it. There is no dispute that Mr F made the payment and so it was authorised.
- Wise is an electronic money issuer (EMI), not a bank or building society, so it's questionable whether the provisions of the BSI guidance Mr F refers to are applicable to it. But even if they are, I'm not persuaded Wise ought to have intervened in the payment made.
- EMIs are set up with the purpose of sending and receiving money, including internationally and in different currencies. And often that will be for large sums. So a customer using their account to send Euros wouldn't be unusual. And having looked at other transactions Mr F made, I don't find the amount to have been so unusual, that it ought to have triggered Wise's fraud alerts. I accept the payment was to a new payee, but again that is a feature of an EMI – that money is regularly sent to new payees. Overall, I'm not persuaded the payment was of a nature that I think Wise ought to have intervened. And I'm not aware there was any interaction between Wise

and Mr F at the time, where any concerns were expressed that would lead me to conclude Wise ought to have paused the payment and asked Mr F about it.

- Mr F has referred to the CRM and that this should be applicable. However, the CRM only applies between GBP-denominated UK-domiciled accounts and so isn't applicable to the transaction in question. And the other guidance Mr F has referred to is taken into account when reaching our outcomes even if not expressly mentioned.
- I understand Mr F has lost money, and it's unfortunate he's fallen victim to a scam. But as I don't find Wise ought to have done anything more when executing his payment request, I find no basis on which to ask it to reimburse Mr F's losses.

My final decision

For the reasons given, 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 F to accept or reject my decision before 22 July 2022.

Claire Hopkins
Ombudsman