

The complaint

Ms M complains that Wise Payments Limited didn't do enough to prevent the loss she incurred as a result of sending money to one of their accountholders.

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 2019, Ms M lost a significant amount of money to what she says was a scam. Of relevance to this complaint is a payment for £25,000 that she made in April 2019 from her own bank, to an account held with Wise.

At the time she believed this to be towards a legitimate investment, but she says she later discovered it was in fact a scam. In 2021 Ms M contacted Wise and asked for their help in recovering her money. Ultimately Wise said they were unable to assist.

Ms M complained, she believes Wise are responsible for her loss as they opened an account for a scammer. She also thinks they didn't effectively monitor their account to prevent fraud. 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 didn't agree Wise ought to have done more. Ms M disagrees and has asked for an Ombudsman to review her 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'm not upholding this complaint. I know this will be disappointing for Ms M, so I'll explain why.

I'm satisfied that Wise correctly followed their account opening process for the account that received money from Ms M. I don't think there was anything at that stage that would have indicated that the account might later go on to be used in connection with a fraud or scam. So, I don't think Wise could have prevented Ms M's loss in relation to the opening of the account.

With regard to the activity on the account in question, I don't think there were any failings by Wise in relation to their obligations to be alert to potential fraud and scams which impacted on the loss Ms M suffered. The arrival and subsequent spending of Ms M's money wouldn't have stood out as unusual in relation to the account and its expected and intended use.

I note that Ms M believes there was a beneficiary name mismatch between the named accountholder and her payment instruction, and that this is something Wise should have identified. The relevant regulations mean that Wise correctly processed the payment if it was applied to the unique identifiers (commonly sort code and account number) provided. At the

time there was no obligation or expectation for Wise to check further information such as a beneficiary name and/or any reference. So in these circumstances, even if there was a difference between the named beneficiary on the payment instruction and the actual accountholder's name, this isn't something I would have expected Wise to have identified.

I'm also satisfied that Wise didn't receive any notifications of fraud in relation to this account prior to all of Ms M's funds being spent. So when Ms M contacted them in 2021, there wasn't anything more Wise could have done to help attempt a recovery.

I'm of course sorry to hear that Ms M has lost so much money which I'm aware exceeds the £25,000 relevant to this particular complaint. But as I don't think Wise are responsible for this, there isn't a reasonable basis upon which I can tell them they need 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 Ms M to accept or reject my decision before 22 November 2022.

Richard Annandale
Ombudsman