

## **The complaint**

Mr O complains that Wise Payments Limited (Wise) didn't do enough to protect him from the loss of money to a scam.

## **What happened**

Mr O has said that he was contacted by scammers in 2018 who persuaded him to invest 250 Euros in Bitcoin. He was "hassled" to invest more money but decided against it. He "wrote off" the 250 Euros as "a bad experience". Later, in 2020, he was contacted by the scammers again and they convinced him that "the company" was now getting a licence and all previous customers (including him) would be paid 30,000 Euros. They also showed him what he believed to be an account in his name holding 8.7 Bitcoin. The "catch" was that they first required a "hold" of 25,000 Euros from him. Mr O was persuaded by this and in June 2020 a number of payments were made from his Wise account in this regard.

Mr O got in touch with Wise seeking reimbursement when he realised he'd been scammed. Ultimately Wise didn't recover or otherwise reimburse Mr O the lost funds, so Mr O referred his complaint about Wise to this service. As our investigator – who didn't recommend that the complaint be upheld – couldn't resolve the matter informally, the case has been passed to me for a 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.

Having done so, I'm sorry to disappoint Mr O, but I don't uphold this complaint. I don't doubt the significant impact being a victim of a scam like this has had on Mr O. But it would only be fair for me to direct Wise to reimburse Mr O his loss if I think it is responsible for acts or omissions which caused it.

I'm satisfied Mr O authorised the scam payments in question here. He consented to the payments after being persuaded by the scammers. I accept these were "authorised payments" even though Mr O was tricked by the scammers. So although Mr O didn't intend the money to ultimately be lost to scammers, he's presumed liable for the loss in the first instance.

Mr O has highlighted industry guidance which broadly says businesses should be alert to uncharacteristic and unusual transactions with a view to protecting their customers from financial harm through fraud. I agree this is the case. But there is a balance to be struck. Mr O made multiple payments using the debit card associated with his Wise account, which was a multi-currency account. The evidence from Wise supports that this is an account to facilitate transfers between currencies. It isn't marketed or intended to be primarily used for daily expenditure and there is no evidence that Mr O used or intended to use the account in that way. Taking this into account, I can't fairly say the relevant payments from Mr O's Wise account ought reasonably to have appeared sufficiently suspicious or uncharacteristic to say that Wise ought to have been obliged to have intervened before allowing the payments

through. This means I'm satisfied I can't reasonably say Wise unreasonably missed an opportunity to prevent the payments before they were sent.

After the payments were made, I couldn't reasonably expect Wise to have done anything further until Mr O notified it of the scam. Then, because these were debit card payments, the only avenue for potential recovery of the payments would have been through the chargeback scheme. However, Mr O made the payments using his Wise debit card to BTCBIT (and not directly to the scammers). This means the merchant here, for chargeback purposes, would be BTCBIT (and not the scammers). BTCBIT legitimately provided the services intended (which was the purchase of cryptocurrency). So I don't think these payments were recoverable through the chargeback scheme with Wise once they had been made.

Overall, for the reasons I've explained, this means that I don't uphold this complaint about Wise. I'm sorry Mr O lost money to a scam, but I can't reasonably hold Wise responsible for his loss when I don't think it reasonably ought to have prevented the payments or recovered or otherwise reimbursed the loss.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 December 2022.

Neil Bridge  
**Ombudsman**