

The complaint

Mr C complains that Wise Payments Limited won't refund disputed payments made from his account.

What happened

Mr C says that on 10 September 2022 fraudulent transactions totalling around £352 were made from his Wise account using the electronic wallet on his phone. Mr C believes his account was compromised as he says he did not authorise these payments. The payments did not show up in the transaction history on his phone's electronic wallet and Mr C says this is evidence that his Wise card was somehow compromised, and perhaps added to another device so the payments could be made.

Wise investigated and decided not to refund the disputed payments. It didn't agree that the transactions were indicative of fraud. It thought Mr C had authorised the payments or made them himself because, it said:

- the transactions were carried out using Mr C's genuine card details
- the transactions were made using Mr C's registered device
- the transactions were made from an IP address that has also been used for previous, undisputed, payments and from which Mr C had logged into his mobile banking
- two of the disputed payments were to a merchant Mr C had used before

Mr C didn't agree with Wise's decision, so he asked us to investigate.

Our Investigator didn't recommend the complaint should be upheld. In summary, they felt it was more likely that Mr C had authorised the transactions or allowed them to be made, for largely the same reasons that Wise had set out.

Mr C disagreed, he maintains that he did not make the payments. He says this was a known issue with the electronic wallet he was using and noted that further payments had been attempted once his card had been frozen.

Because no agreement could be reached the complaint has been passed 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.

Having done so, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Mr C is responsible for any payments that he has authorised (either by making them himself or allowing someone else to) and he isn't responsible for unauthorised payments. So, the key question here is whether Wise has acted fairly in concluding that Mr C did authorise the disputed payments.

I'm satisfied from the bank's technical evidence that Mr C's genuine card details were used to make the disputed transactions. But the regulations relevant to this case say that is not, on its own, enough to enable Wise to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr C consented to the payments being made.

From what I've seen, I don't think it's unreasonable for Wise to conclude that Mr C authorised the transactions. This is because:

- Mr C has said nobody else has access to his phone and that it is protected with face recognition and a passcode
- Wise's evidence shows that the disputed payments were made using Mr C's phone
- Wise has provided evidence to show that the disputed payments were made from an IP address that Mr C had previously made payments from and had also previously logged into his Wise account from

I appreciate that Mr C feels there were known issue with the electronic wallet he was using which may have meant his card details were not secure, but I've not seen any evidence that his card was compromised. And the evidence I have seen suggests that, in order for someone other than Mr C to have made these payments they would need to have had access to his phone, know his passcode, and be in the same physical location as he had recently been in. That does not seem to be plausible given what Mr C has told us.

So I'm satisfied from the evidence I've seen that, on balance, it's more likely that Mr C authorised the disputed payments. It follows that Wise is entitled to hold him liable for them. I note that Mr C says there were further attempted payments after his card had been frozen, but that does not change my finding that the payments that were made were more likely than not authorised by Mr C.

I know this will be very disappointing for Mr C, but I hope he will understand the reasons for my decision.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 June 2023.

Sophie Mitchell
Ombudsman