

The complaint

Mrs K complains that Wise Payments Limited didn't do enough to prevent the loss she suffered when she sent money to one of their customers as the result of a scam.

Mrs K has used a representative to bring her complaint. But, for ease of reading, I'll mainly just refer to Mrs K herself throughout my decision.

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 Mrs K was sadly the victim of a romance scam. She was befriended by a scammer online and tricked into sending £30,000 from her account with 'H' to the scammer's account with Wise.

The payment credited the Wise account on 7 November 2019. When the scammer asked for a further £80,000, Mrs K realised she'd been tricked. In 2022 she raised this with H and Wise. There were further losses from Mrs K's account with H which weren't sent to Wise and therefore aren't part of this complaint. I'm aware that following the involvement of our service, Mrs K received a refund of 50% of her loss from H.

Wise sympathised with Mrs K being the victim of a scam, but also said they couldn't provide a refund as they hadn't made any errors. They also said that the account in question had already been closed and there were no funds remaining to be returned.

Mrs K referred her complaint to our service. One of our Investigators didn't recommend it should be upheld. In a broad summary she didn't think there were any failures by Wise which caused or contributed to the loss.

Mrs K asked for an Ombudsman to review her complaint. On reviewing the file, I agreed with our Investigators outcome but for slightly different reasons. So I wrote to both Mrs K and Wise explaining my thoughts. In summary I said:

- I was satisfied that there weren't failings by Wise which caused or contributed to Mrs K's loss in relation to the opening of the account that later received her funds.
- Soon after the arrival of Mrs K's money, there was an outgoing payment which represented the majority of the funds. Given the account was relatively recently opened and that this payment was being sent internationally, I think this is something Wise ought to have picked up on.
- But had Wise contacted their customer, I think it's most likely that they would have provided a plausible explanation for the account activity. And there was nothing so unusual or suspicious, at that stage, where I think Wise ought to have done more or that they'd have had grounds to doubt what their customer most likely would have told them.
- I was also satisfied that by the time Mrs K reported the scam, there were no funds available to be returned.

Wise responded and said they had nothing further to add. Mrs K's representative responded and felt that they had had other cases where complaints had been upheld in similar circumstances. The representative felt that if my logic were to be followed, then no cases like this would be upheld as the recipient account holder could always explain away the activity unless a report of fraud was received. I re-iterated that each case is decided on its own particular merits and circumstances. As agreement couldn't be found, Mrs K asked that I issue my final 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 not persuaded to deviate from the outcome I've previously explained.

Firstly, I'm sorry to hear Mrs K has been the victim of a cruel and callous scam. I don't doubt this has had a significant impact on her, especially given the sum involved. And I'm pleased she was able to recover half of her loss from this payment through her own bank, H. But just because Mrs K has been the victim of a scam, this doesn't automatically entitle her to a refund from Wise.

There isn't a great deal I can add beyond what I've already shared with both Mrs K and Wise. Whilst I think Wise ought to have taken some action in relation to the account activity, specifically a large payment leaving the account after receipt of Mrs K's funds. In order for me to make an award, I need to be satisfied that Wise reviewing the account activity and speaking to their customer would have made a difference. Specifically, that, but for Wise not intervening, Mrs K's funds wouldn't have left the account and would have remained available for recovery.

And in the specific circumstances of this complaint, on the balance of probabilities, I'm not persuaded that is what would have most likely transpired. I think it's most likely that Wise's customer would have responded to any contact and provided reassurances about the account activity. And I think that it would have been reasonable for Wise to have accepted this, particularly as there were no notifications of fraud or other reasons for concern at that time. With this in mind, I don't think there would have been sufficient cause for Wise to have taken further steps such as asking their customer for proof of entitlement to the funds or stopping their customer from making payments using the funds that had credited the account. As such, I can't say that Wise caused or contributed to Mrs K's loss and so I can't fairly direct that they need to do more.

Mrs K didn't report the scam for a considerable time after the payment had been made. And I'm satisfied that at the time of reporting, no funds remained. So I also don't think there were failures by Wise in relation to the recovery of Mrs K's money.

Again, I'm sorry to hear Mrs K lost so much money to a scam. But as I don't think Wise are responsible for the outstanding loss (or a part of it) or hindered its recovery, there isn't a reasonable basis upon which I can tell them to do more 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 Mrs K to accept or

reject my decision before 11 May 2023.

Richard Annandale
Ombudsman