

## The complaint

Miss C complains that Wise Payments Limited ('Wise') decided not to refund her after she was the victim of a scam.

## What happened

Miss C says her friend introduced her to an employment/investment opportunity with a company I'll call M. It involved completing tasks on different social media sites to make money. The premise was that she needed to purchase packages which allowed her access to carry out tasks across several social media platforms, each task attracting a small payment. Miss C says that the more tasks she completed the more money she'd earn. Miss C could also receive payments for introducing others to M.

All the payments Miss C made were to a cryptocurrency exchange. I have set them out below:

Date	Amount
29/04/22	£2
02/05/22	£100
03/05/22	£3,190
04/05/22	£2,111
05/05/22	£1,882.31
05/05/22	£449.68
06/05/22	£139.45
09/05/22	£1,138.56
12/05/22	£2,001.80
25/05/22	£350
27/05/22	£620
27/05/22	£1,021
03/06/22	£9,050
07/06/22	£384

M's platform began to restrict accounts, saying that people weren't completing tasks correctly. M said that to unlock the tasks users had to pay fees. Miss C contacted Wise support on 16 June 2022 to report what had happened.

Miss C's representative has explained that Miss C received money from family and friends and used these funds and her own to buy cryptocurrency, which was unusual for her.

Wise didn't refund any of the payments. It referred to its terms and conditions and said it doesn't get involved in disputes between senders and recipients. Wise also pointed out that

buying cryptocurrency is against its acceptable use policy so said that even if it did intervene it's unlikely Miss C would have told the truth. And the exchange Miss C sent money to also provided other services so it wasn't apparent to Wise that Miss C's funds were being used to buy cryptocurrency.

#### *Our investigation so far*

The investigator recommended the complaint be upheld in part. She felt that Wise should have identified the £9,050 payment on 3 June 2022 as unusual and out of character and asked Miss C questions about it. If this had happened, the investigator thought the scam would have been uncovered and Miss C's loss prevented. But the investigator also thought Miss C didn't do enough to check the legitimacy of the job offer and reduced the award by half. As another party had already refunded Miss C 50% of the £9,050 payment the investigator asked Wise to pay £2,262.50 in respect of this transfer and half of the subsequent one.

Wise didn't agree with the investigator's view. In summary, it said:

- Wise is a payment service provider not a bank and its accounts are used differently.
- The £9,050 payment was the largest Miss C had made, but she'd made large payments before. Wise referred to four payments between November 2020 and December 2021, each for around £5,000.
- It is common for Wise customers to use their accounts for random one-off larger payments (as well as to deposit funds and spend them quickly). The pattern of scam payments was also consistent with previous payments. A year prior to the first reported scam payment Miss C deposited funds and withdrew them quickly.
- The investigator referred to a sudden increase in spending but the volume of funds going through Miss C's account was in line with previous months.
- By the time Miss C made the payment when the investigator said Wise should have intervened, she had already made 14 transfers to the same recipient.
- Wise didn't complete any additional checks because the payment requests Miss C made weren't suspicious.

Miss C, through her representative, also didn't agree with the investigator's view. She didn't think the award should be reduced by 50% and said:

- M had a professional app that looked legitimate. On it Miss C could see tasks, updates and different membership levels.
- Miss C went through what seemed like a legitimate interview process as she'd expect.
- Miss C researched the job offer and found videos showing how to perform the tasks and positive comments and reviews.
- She was added to a group messaging app with many other employees who shared their experience and provided positive reviews.

As neither party accepted the investigator's findings, the complaint has been passed to me to consider.

I noted that some transactions Miss C's representative said were scam payments (which I haven't included in the table above) were in fact credits to Miss C's account and questioned this. I was told that the following credits represented returns/income from M:

10/05/22 - £604

11/05/22 - £789

13/05/22 - £725

13/05/22 - £2,778

02/06/22 - £2,868.20

### **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'm very sorry that Miss C has lost so much money in a cruel scam. I need to decide whether it would be fair and reasonable for Wise, in all the circumstances of this case, to be held responsible for this loss.

Wise is an electronic money institute (EMI) and not a bank so isn't subject to the same expectations set out in guidance and regulations as a bank when it comes to fraud prevention. Wise should execute payment instructions without undue delay. And as a starting point there is a presumption that liability for authorised payments is on the payer, even where it might have been made as part of a scam.

But that doesn't mean Wise had no obligation to Miss C. Wise is required to be on the lookout for indications of financial crime. I'm satisfied Wise ought to have systems in place to monitor the transactions on its accounts and that it should intervene when appropriate.

I've thought about whether Wise acted fairly and reasonably in its dealings with Miss C when she made the payments, or whether it should have done more than it did.

I don't consider Wise had any reason to be concerned until Miss C made the payment of £9,050 in June 2022. The early payments were relatively low in value and didn't fit a pattern consistent with common scams. Miss C had an account with Wise before the scam and in the 12 months before the scam transactions made two transfers of around £5,000. So lower value payments to a payee which became established weren't unusual and wouldn't have stood out.

I'm persuaded the position changed when Miss C made the £9,050 payment though. This was by far the largest payment Miss C had ever made from the account and represented a huge increase in the amount paid to M. And there was a pattern of increasing payments to an exchange that is regularly used to buy cryptocurrency. By this time Wise should have been aware of the prevalence of scams of this nature and been on the lookout for signs of financial harm so I think it ought reasonably have intervened.

I'm satisfied that had Wise intervened and asked Miss C about the reason for the payment the scam would quickly have been uncovered. I see no reason why Miss C wouldn't have told the truth as she hadn't been given a cover story and genuinely believed that she was making payments in respect of an employment/investment opportunity. The fact that there was no documentation alone ought reasonably to have been a huge red flag to Wise that something was amiss.

It follows that if Wise had prevented the payment of £9,050 the final payment also wouldn't have been made.

Miss C moved £9,050 from an account with another provider to her Wise account before the scam payment. This other provider has already refunded 50% of this transaction. I don't think Miss C should receive more than half of this payment overall so am awarding half of her outstanding loss in respect of this payment and half of the final payment. I'm aware that some funds were provided to Miss C by family and friends, but this seems to have been before the £9,050 payment. The credits Miss C received from M also stopped before the payments I'm asking Wise to refund in part.

I've gone on to consider whether it's fair and reasonable to hold Miss C partially responsible for her loss. I've considered the points made by her representative but don't believe I can fairly ask Wise to refund the payments referred to above in full because:

- Miss C didn't receive a contract or any other documentation setting out the terms of her agreement with M. She has provided certificates of engagement with various social media platforms and said she believed they represented confirmation of her employment, but that's not what these certificates relate to. I haven't seen any evidence of the terms agreed between M and Miss C.
- The premise of the arrangement with M is unusual with Miss C needing to pay fees to release tasks. And the requirement to send and receive cryptocurrency is so unusual I think it ought reasonably to have led to a greater level of caution.
- At the level Miss C says she was at she would receive a daily income of €144 which equated to an annual payment of €52,560 for completing sixty tasks a day. I consider this to be a huge amount for unskilled work and think this ought reasonably to have caused concern.
- Miss C has told us that the friend who referred her to M sent her screenshots showing the returns she'd made. But Miss C hasn't provided this service with the screenshots so it's difficult to be sure what Miss C relied on when she first started to make payments. I consider this to be important as this is the main reason Miss C decided to make the first payments.
- Although Miss C's representative has told us she went through an interview process she wasn't asked to provide a CV or any other documentation a new employer would usually request. And the process was completed via a messaging app which is unusual.
- When Miss C brought her complaint to this service there was no mention of any returns she'd made.
- Miss C made multiple deposits before she was able to withdraw any funds.

Overall, I consider Miss C should bear some responsibility for her loss too.

### **My final decision**

I require Wise Payments Limited to:

- Refund a quarter of the £9,050 payment (£2,262.50);
- Refund half of the £384 payment;
- Pay interest on the above amounts at the rate of 8% simple per year from the date of each payment to the date of settlement (less tax if properly deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 5 September 2023.

Jay Hadfield  
**Ombudsman**