

The complaint

Mr P complains that Wise Payments Limited (trading as “Wise”) won’t refund over £17,900 he lost to an investment scam.

The details of this complaint are well known to both parties so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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 agree with the conclusions reached by the investigator and have decided not to uphold it for the following reasons:

- It isn’t in dispute that Mr P authorised the disputed payments he made as part of the scam. The payments were made either to his own crypto wallets or to an account he held with another Electronic Money Institution (“R”), where his funds were subsequently transferred on to the scammer. The payments were made via Mr P’s Wise payment card, or through direct transfer, using his legitimate security credentials provided by Wise, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Wise should have done more to prevent Mr P from falling victim to the scam. Wise is an Electronic Money Institution (EMI) and, at the time these events took place, it wasn’t subject to all of the same rules, regulations and best practice that applied to banks and building societies. Nonetheless, there are still some situations in which an EMI should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly suspicious or out of character.
- I appreciate that overall, Mr P has lost over £17,000 which is a significant amount of money. But this amount wasn’t paid in one transaction. It was spread over nine separate smaller increments which, in my judgment, would not have appeared particularly suspicious or unusual. Mr P had also newly opened his Wise account as part of the scam, so it also didn’t have any account history to compare his spending to either, to see whether the payments could be considered as out of character’.
- I also appreciate there were occasions where Mr P made multiple payments on the same day, such as three payments to Wisenex on 14 September 2022, and then three payments to his own account with R on 26 September 2022. But as I’ve set out above, EMIs were not subject to the same standards that banks were at the time, and it’s not uncommon for such accounts to be used to make multiple large payments. But in any event, having considered the value and frequency of the payments Mr P made, I’m not persuaded they ought reasonably to have indicated a heightened risk of financial harm in these circumstances. The cumulative value of the payments made on 14 September 2022 were under £7,000, for example, which I don’t think ought to have appeared as

particularly suspicious. So, I'm not persuaded there was anything that ought reasonably to have triggered Wise's fraud monitoring systems, or that would have indicated Mr P was likely being scammed.

- I'm also satisfied there was no reasonable prospect of Wise being able to recover the money Mr P lost either. He wouldn't have been able to make a successful chargeback claim for the card payments he made as he would have received the crypto asset he paid for. And in relation to the money sent to his own account with R, we know this was swiftly transferred out and wouldn't have been able to be recovered either.
- I note that Mr P's representatives have said he was vulnerable at the time of the scam. But while I appreciate he may have been going through a difficult time, I don't consider his circumstances amount to him being *vulnerable*, or that Wise would have been aware of his circumstances either. Wise's duty first and foremost is to execute transactions at the request of its customers. And given there was nothing to put it on notice that Mr P was vulnerable or lacked capacity to make his own financial decisions, I don't think it was under any obligation to put extra measures in place as a result.

I appreciate this will likely come as a disappointment to Mr P, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Wise can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

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

Jack Ferris
Ombudsman