

The complaint

Miss A complains that Wise Payments Limited ('Wise') won't refund the money she lost after falling victim to a scam.

What happened

In October 2022, Miss A applied for a job online which required her to pay a fee to obtain orders, on the premise that after submitting the order she would be refunded the fee and receive a commission. Miss A thought she was working for a large online retailer, but she was actually the victim of a scam.

Miss A made an initial payment of £40, completed an order, and received a payment back to her Wise account of £76.62. The next day she made two payments totalling just under £290 and received back £381.50 for the orders she had submitted. The scammer returned these funds to Miss A to convince her that the job was genuine and to encourage her to buy more orders.

Miss A made three more payments for just under £900 in total, then four days later made another two payments of £1,938 and £3,102.

When Miss A was unable to withdraw her commission, she realised she'd been the victim of a scam and reported it to Wise.

Wise investigated Miss A's fraud claim but declined to refund her. Wise said the payments Miss A made weren't unusual as they had no prior account use to compare them to. Wise said that the first time Miss A tried to make the payment of £1,938, they held the payment while they completed regulatory checks, however Miss A had cancelled the payment and later set up a new payment with the same details. Wise weren't able to recover any of Miss A's funds, saying they'd left the accounts by time she reported the scam.

Miss A wasn't happy with Wise's response, so she brought a complaint to our service.

An investigator looked into Miss A's complaint and didn't uphold it. They didn't think that Wise should've identified that Miss A was at risk of financial harm based on the payments she made.

Miss A disagreed with the investigator's opinion, raising the following points:

- She says Wise told her they would block the beneficiary accounts (which were also held with Wise) and would recover her funds.
- When she called to report the fraud, Wise said that funds remained in the beneficiary accounts, so Wise could've recovered her money.
- Miss A is also unhappy that it took Wise three weeks to give her an answer in relation to her fraud claim.

Miss A asked that the case be passed to an ombudsman for review.

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 sorry to disappoint Miss A, but having carefully considered everything, I've reached the same outcome as the investigator and won't be asking Wise to refund her. I'll explain why.

I'm not satisfied based on the size of the payments Miss A made, the lack of previous account use and the frequency of the payments, that Wise should've identified that Miss A was potentially the victim of a scam.

While the first six payments were all made on the same day, they were for very low amounts with the largest being only £584 and all of the payments together totalled less than £1,200. There was then a gap of four days before Miss A made the next two payments, being £1,938 and £3,102. Also, the last payment for £3,102 was made to a new payee with a different name than the previous payments.

Wise has told us that they presented Miss A with a warning when she made the payment of £584. The warning was tailored to investment scams, as Miss A selected the payment purpose as investment. In these circumstances, I'm not persuaded that Wise were required to provide a warning, so I'm satisfied that they've acted appropriately with regards to this payment.

I'm aware that Wise paused the payment that Miss A made of £1,938 to complete regulatory checks, however Miss A cancelled the payment and set up a new payment. Even if I agreed that Wise should've intervened at this point, I would only expect them to provide Miss A with a generic warning which I think is unlikely to have uncovered the scam or convinced Miss A that she shouldn't proceed with making the payment. In this case, the scammer had allowed Miss A to withdraw some of her commission, which had reassured Miss A that the arrangement was legitimate. So, I think it's more likely that not she would've continued with making this payment, as well as the final payment of £3,102. And, with the final payment, I'm still not persuaded that Wise should've intervened. While it was Miss A's second payment for that day, it was to a new payee and still isn't so large or out of character that I think Wise should've identified that Miss A may've been at risk of financial harm. Based on this, I think Wise acted reasonably and I can't fairly ask them to refund Miss A.

I appreciate that Miss A has lost over £6,000 in total, which is a significant amount of money for her. However, a balance has to be struck between Wise identifying payments which could be fraudulent and then responding appropriately to their concerns and ensuring minimal disruption to legitimate payments.

Could Wise have recovered Miss A's funds?

Miss A says that when she called Wise to report the scam, she was told funds remained in the beneficiary account and that Wise would recover her funds. However, having listened to the call Miss A had when she reported the fraud, I can't agree that she was told this.

Miss A asked whether Wise would be able to recover her funds several different times during that call and was told that they'd try to recover the funds, that it was possible, but that they don't guarantee it. Wise also told Miss A they couldn't tell her how much money was in the beneficiary accounts or any details relating to those accounts. Miss A was told her fraud claim would be forwarded to a specialist team who would investigate the situation and, if it turned out to be a scam, take the necessary action. Miss A was asked to provide information

relating to the scam, including any screen shots or messages she had with the scammer, which she later sent to Wise.

From what I've seen the funds were removed from the Wise beneficiary accounts almost immediately after they were received, so by the time Miss A reported the scam – no funds were recoverable. I'm not satisfied that Wise told Miss A that they would recover her funds, rather they told her they would attempt to recover them. Also, I can't agree that Miss A was told the funds were still in the beneficiary accounts during her call. So, I can't fairly say that Wise could've recovered Miss A's funds.

The level of customer service Miss A received

Miss A is also unhappy with how long it took Wise to investigate her fraud claim and provide her with an answer. From what I've seen, Wise contacted Miss A on 4 November advising they had finished looking into her claim. This email wasn't as clear as it could've been, as it didn't directly say that Miss A wouldn't be getting her funds back. However, it does suggest that Miss A contact the local authorities as a next step in trying to recover her funds. This means that Wise responded within eight days of Miss A raising her fraud claim.

Following this, there were several emails between Miss A and Wise. Miss A told Wise that she wasn't happy with their response to her claim, so they raised a complaint to look into her concerns, which they confirmed to Miss A on 9 November – saying they would respond within 15 working days. On 24 November, Wise issued their final response which was within the 15 working days they'd quoted. Based on this, I can't fairly say Wise have done anything wrong or make an award for poor customer service.

I'm really sorry to disappoint Miss A, but I can't fairly ask Wise to refund her.

My final decision

My final decision is that I don't uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 22 December 2023.

Lisa Lowe
Ombudsman