

## **The complaint**

A limited company 'A' complains that Wise Payments Limited didn't do enough to prevent the loss they suffered when they sent money to a Wise customer as the result of a scam.

A has used a representative to bring their complaint. But for ease of reading, I'll mostly just refer to A 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 November 2022 A was sadly the victim of an email interception scam. A believed they were speaking to a potential supplier of some technical equipment for their business. But a scammer had inserted himself into the email chain. So when A sent a payment of around £39,000 intended for the genuine supplier, it instead went to an account with Wise, controlled by the scammer.

A complained to Wise that they had let a scammer open and operate an account and hadn't done enough to prevent their loss. Wise didn't uphold the complaint and it was later considered by one of our Investigators. She supported Wise's position and didn't recommend that they needed to do more. A still disagree and have asked for an Ombudsman to make a decision.

Whilst the complaint was awaiting allocation to an Ombudsman, I understand that Wise said they'd managed to recover around £800 and that this has since been paid to A.

## **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 can see A feels strongly that Wise should refund their loss and feels it's unfair that they are unwilling to do so. But I want to be clear that unwittingly falling victim to a scam doesn't entitle the victim (here A) to a refund from the payment service provider (PSP, here Wise) that received their money. In these circumstances I could only direct Wise to reimburse A if I'm satisfied they did something wrong where it would be fair and reasonable to ask them to provide a refund.

When considering complaints of this nature, I can understand why, with the benefit of hindsight, it's sometimes easy to say the recipient PSP ought to have identified the activity on the account as fraud and should've done more to prevent the loss, or they could've done more to assist in the recovery of the funds upon receipt of notification of fraud. However, I must be clear, when deciding this complaint, I need to think about what Wise knew at the time – not what is known today. And where it is supposed (as is the case here) that Wise didn't do enough. My role is to look into the individual circumstances of the case and decide (within my jurisdiction to consider this complaint), based on what I have seen, whether they should have fairly and reasonably done more.

With the above in mind, I'm satisfied Wise carried out appropriate checks to verify the identity of the recipient accountholder (in line with their regulatory obligations) when opening the account. So, it follows that I don't think there is any reason, based on the opening of the account, to direct Wise to do more here.

I've reviewed the account statements both prior to and after A's payment arrived in the Wise account. And I have also considered whether there was anything, prior to A's notification that ought to have alerted Wise to the possibility of fraud. I'm satisfied there wasn't and that none of the account activity ought to have stood out to Wise as so unusual or suspicious such that they ought to have interfered in the operation of the account. I don't think there have been any failings by Wise regarding the monitoring of the recipient account, so I can't say they missed an opportunity to prevent A's loss in this way either.

I've considered A's point that their payment was for a significant amount and that they think this means Wise should have done more. But the value of a payment is just one factor that I need to consider. I also have to take into account the type of account that received the payment along with its expected and intended use. And it is in that context that I don't think the arrival and subsequent spending of A's funds was so unexpected or suspicious that Wise should have intervened.

Unfortunately, however, by the time Wise were informed that A's payment had been made as a result of a scam, all the funds had already left the recipient account. So, I don't think there were any failings that prevented recovery of more of A's money. Wise went beyond what was strictly required of them and managed to recover a partial amount as mentioned above – I think this is fair and can't hold Wise responsible for the recovery not being a greater amount.

Overall, I'm sorry to hear A lost so much money to a scam. But as I don't think (within the scope of my jurisdiction) that Wise did anything that caused the loss or hindered more funds being recovered, I'm not going to tell them to do anything further 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 A to accept or reject my decision before 15 September 2023.

Richard Annandale  
**Ombudsman**