

The complaint

Mr B complains that Wirex Limited won't refund unauthorised withdrawals from his account.

What happened

Mr B complains about withdrawals from his Wirex account that took place from around December 2020, which he says were unauthorised. Mr B wants Wirex to refund him for these withdrawals.

Wirex doesn't agree that the withdrawals were unauthorised. It points to the fact that Mr B topped up his account (which he doesn't dispute) around the time the withdrawals took place. Wirex also believes that, although Mr B's account seems to have been accessed by other users via different devices, it thinks this was carried out with Mr B's consent.

Initially, Wirex also said that Mr B had disabled two-factor authentication on his account around the time and that he would've needed to confirm the authenticity of new devices accessing to his account via an SMS sent to his mobile.

After Mr B asked this service to get involved, Wirex later confirmed that the two-factor authentication on Mr B's account wasn't disabled around the time. Wirex also couldn't evidence that Mr B was sent an SMS to verify new devices accessing his account. Wirex concludes that the only explanation as to how the withdrawals took place was that either Mr B granted access to a third party by authorising a new device and by changing his contact number, or that a third party gained access to Mr B's phone.

As part of his submissions, Mr B says:

- He uses his computer at home and his mobile phone to log into his Wirex account
- He thinks his account was compromised around November 2020, given he later started seeing unexplained activity – such as emails regarding activity he says he didn't carry out
- He's never shared access to his account with anyone else
- He agrees that he topped up his Wirex account around the time of the disputed withdrawals
- He's unsure of the exact value of the disputed withdrawals
- The contact number associated with his account was changed to an unknown international number
- He also recently confirmed that he didn't convert his cryptocurrency assets and that he intended to grow his investments as well as use his Wirex card for purchases, to gain extra tokens
- Wirex caused him stress and sleepless nights because it didn't refund him for the disputed withdrawals

Our investigator concluded that the withdrawals were unauthorised and asked Wirex to refund the disputed withdrawals, as well as pay him £150 compensation. The investigator wasn't satisfied that Wirex had provided enough information to support its conclusions that Mr B consented to these transactions.

Wirex didn't agree – so the complaint has been passed to me to have a final say on this matter.

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 that around the time the disputed withdrawals took place, most of the funds Mr B held with Wirex were various forms of cryptocurrency. The withdrawals he disputes involved converting all these cryptocurrencies into two others – and then transferring them out.

It's important to note that, although cryptocurrency itself isn't regulated, this service can consider complaints involving cryptocurrency where it is ancillary to another regulated activity. In this case, the nature of Mr B's Wirex account allows for transactions using fiat, e-money, and cryptocurrency under one platform. So we'd consider the losses caused by unauthorised access to the platform as ancillary to the provision of e-money services.

Wirex can generally only hold Mr B responsible for the disputed withdrawals if the evidence suggests it was more likely than not that Mr B authorised them. Wirex's evidence doesn't persuade me that this is the case, so I'm upholding this complaint. I'll explain why.

Wirex says that it believes Mr B consented to the disputed withdrawals. Wirex has provided records showing that Mr B topped up his account several times before the disputed withdrawals took place. Wirex thinks that Mr B must have consented given the proximity of the top ups and the withdrawals. Wirex adds that Mr B would've received an SMS to verify any new devices accessing his account and, in doing so, he would've authorised the withdrawals. However, the information Wirex has sent to us doesn't support these conclusions.

Wirex hasn't been able to back-up its assertions with any actual records. It says Mr B would've verified access to his account by new devices via an SMS sent to him. But Wirex doesn't hold any records to persuade me that these were sent to Mr B's phone, nor has it proven that Mr B's actions in response to the SMS was to authorise a new device.

In fact, Mr B's submissions make me think differently. He's provided information indicating that the contact number held on his account was changed from his genuine mobile number to a number he doesn't recognise and one that seems to have a non-UK prefix. I haven't seen anything that suggests Mr B had access to this number nor can I see that he carried out the amendment to the contact number registered on his Wirex account.

Wirex has been able to share log in data from around the time. The data indicates that the internet protocol (IP) address Mr B's account was logged in from during the disputed withdrawals originated from different non-UK countries. Each of these IP addresses also seem to be distinctly different to the IP addresses associated with genuine access carried out by Mr B.

It also seems that, throughout the period that Mr B's account seems to have been accessed from another country, there appears to be multiple instances where his account is logged in from the UK. The device names used appear to be associated with Mr B, so I'm persuaded that this was him logging in.

If I accept Wirex's position on the disputed withdrawals, this would mean Mr B was logging into his account from multiple countries around the same time. This seems highly unusual and also unlikely, as well as being atypical of Mr B's previous account activity. So I'm not

persuaded that Mr B is responsible for these withdrawals.

Wirex suggests Mr B consented to a third-party accessing his account or that Mr B's phone was compromised. But I can't see how Wirex has arrived at such a conclusion. There's nothing I've seen that suggests Mr B consented to access by a third-party, so I don't agree that this is a fair explanation for the disputed withdrawals. There's also no report of Mr B either misplacing or having his phone compromised in any way.

Wirex has also been inconsistent with its submissions, which leads me to doubt that such conclusions are the product of a thorough, evidenced investigation. Wirex initially told this service that it was Mr B that disabled the two-factor authentication on his account – but it recently told us this wasn't the case. Wirex also suggests Mr B amended the contact number on his account but couldn't substantiate this submission with any records to confirm.

Instead, the information I've seen persuades me that Mr B took steps to flag unexplained activity on his account – including when he had problems accessing his account and when he received a notification that the two-factor authentication on his account had been removed. So I don't think it's likely that Mr B granted a third-party access to his account.

So, although Wirex has submitted some records and evidence, there's nothing that makes me think Mr B authorised the disputed withdrawals. Based on what I've seen, I'm satisfied that these withdrawals were unauthorised by Mr B and so he should be refunded.

Putting things right

Wirex unfairly decided that Mr B was responsible for the withdrawals he's disputing. Although Mr B's losses were mainly formed of cryptocurrency, I won't be awarding this type of asset as it is unregulated, and its value can also be volatile. I also can't say for certain what Mr B would've done with his cryptocurrency in the period after the disputed withdrawals, had the funds not been taken.

To put things right, Wirex should pay Mr B the value of the cryptocurrency assets on the day the disputed withdrawals were carried out. Wirex should also refund the disputed fiat withdrawals and include 8% simple interest from the date of the withdrawal to the date of settlement.

Additionally, Wirex should pay Mr B £150 compensation because of the stress it caused him.

My final decision

I'm upholding this complaint. Wirex Limited should settle this complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 September 2023.

Abdul Ali
Ombudsman