

## **The complaint**

Mrs C via a representative complains that Wise Payments Limited ('Wise') won't refund the money she lost in a scam.

## **What happened**

Mrs C says her husband saw an advert about investing with a company I'll refer to as B on a social networking site. Mrs C then read this advert and she left her details and received a call and then messages from an advisor who persuaded Mrs C to invest. Mrs C was told that she needed to open an account with Wise and says that she allowed the advisor from B to move funds from her Wise account using a remote desktop application.

Mrs C made payments totalling over £40,000 to crypto exchanges and a various bank accounts via transfer and debit card payment

Mrs C reported the scam to Wise. Wise referred to its account terms and conditions and didn't agree to reimburse Mrs C. In particular, Wise relied on terms that said payments can't be cancelled or recalled, that it can't get involved in disputes and that it isn't responsible for losses that aren't foreseeable. Wise attempted to recall the majority of the payments from the banks they were sent to but was unsuccessful.

Mrs C wasn't happy with Wise's response and brought a complaint to this service

The investigator who considered this complaint didn't recommend that it be upheld. In summary, she said that if Wise had intervened, the investigator didn't think it would have made a difference as Mrs C hadn't told another firm the real reason for the payments.

The complaint has now been passed to me to consider.

## **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 Mrs C has lost so much money in a cruel scam. But my role is 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. Overall, I've decided that it wouldn't and I've explained why below.

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.

In this instance, Mrs C says that the payments were made by the scammer but I don't think that this is likely, but even if they were, I think Mrs C was aware and had allowed them to be made. I say this because I would have expected her to query the payments earlier than she did and would not have followed the scammers instructions in relation to the photo that she supplied during transactions with a different firm.

I have considered whether Wise ought reasonably to have given a scam warning when Mrs C made the payment of £9,900 and I think that it should have. This is supported by Wise asking Mrs C for the purpose of the transaction and providing a warning based on the answer given. I note that the reason Mrs C gave for the transaction was incorrectly given by Mrs C as payment to family and friends. But I'm satisfied that even if Wise had given Mrs C a specific and detailed warning about scams similar to the one that Mrs C was victim of, I don't think that it would have made a difference. I say this because Mrs C has said that she had given B control of her computer and the scammer was making the transactions. So, any warning would have been read by the scammer not Mrs C.

I note Mrs C's representatives arguments that Wise should have in place systems to detect the use of remote access software but I don't think that they are obliged to do this. I also note that in a separate complaint about different provider account said provider confirmed that it did have software in place and it was likely that Mrs C was not using the software when carrying out the transactions in question. So, I don't think Wise needed to have a system to detect remote access software and in any event, it is debatable whether this would have prevented anything given that it did not with a separate provider.

I have thought whether a greater intervention would have stopped the scam in question but overall I don't think that it would have. I note that on a linked case to this one Mrs C was asked questions by the other financial institution before the payments were allowed from that platform to B. I note that again the answers given were not accurate.

Again, Mrs C has said that it was the scammer answering the questions but importantly Mrs C was asked to provide a photo of her holding a sheet of paper with the reason for the transfer written on it during an online chat with the other financial institution. Mrs C supplied this photo. This suggests she was willing to give incorrect answers when prompted by B. So, on balance taking everything into consideration, I think it likely that had Mrs C been contacted by Wise she would have been told what to say by B and she would have said it. This means I don't think that any intervention from Wise would have stopped the scam.

I should also add that I have listened to a call between Mrs C and a different firm that is a bank. This call happened during the scam and during this call she claimed nobody was asking her to make the payments, she had not installed remote access software and she was sending funds in order to buy furniture. Mrs C also explained that the reason she was sending funds to a different account rather than purchasing directly from this other bank was due to currency fees as she was purchasing furniture from Europe. This suggests that Mrs C had been extensively coached by the scammer. Given this I don't think it likely that she would have given correct answers to Wise so I don't think that any further intervention from Wise would have uncovered or stopped the scam

Taking into account good business practice and what I deem to be fair and reasonable, Wise is generally expected to assist its customers in recovering funds lost in a scam. Wise has done so but has not been able to recover any funds. So, I think Wise has acted reasonably.

Overall, whilst I'm sorry to hear of Mrs C's loss, I can't reasonably ask Wise to refund her.

**My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 15 April 2024.

Charlie Newton  
**Ombudsman**