

The complaint

Mr K complains that Wise Payment Limited ("Wise") won't refund over £7,000 he lost to an employment 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 for the following reasons:

- It isn't in dispute that Mr K authorised the disputed payments he made from his Wise account to the scammer. The payments were requested by him 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 K from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It's accepted by Wise that Mr K's payment activity was unusual given that it did trigger its scam prevention system and led to it asking for the reason behind the payments he was making. It has shown that Mr K chose the option for 'paying friends and family', so it provided a warning that was tailored to scams of this type. Given Mr K had made six payments on the same day in quick succession, I think there was enough cause for Wise to make further enquiries to ensure he wasn't falling victim to scam. But even if it had asked him further questions, I'm not persuaded it would have ultimately prevented the scam.
- I say this because Mr K was questioned by another of his banks as part of the same scam, where he told it he was paying money back to a friend that he'd previously borrowed it from. He said that he had met this person, he trusted them, and had received their account details face to face. And based on the reasons Mr K gave to Wise when it asked why he was making the payment, it seems he would've likely told it the same story if he'd been questioned further. I appreciate this may be because he had been coached by the scammer to lie if he was ever questioned about the payment. But I'm not persuaded there was anything more Wise could've done to prevent the scam in these circumstances.
- As a result, I don't consider it would be fair and reasonable to hold Wise liable for Mr K's loss, because it seems more likely than not that he would have continued to provide

misleading answers even if Wise had questioned him further or intervened on any subsequent payments.

- I also don't think there was anything more Wise could've done to recover the money either. It has said it was unable to recall the payments as the funds had already been withdrawn before the fraud had been reported, which is unfortunately often the case when it comes to scams such as this.
- Wise has also offered Mr K £150 compensation for failing to acknowledge his complaint and issue a final response. Given this relates to complaint handling – which is not an activity regulated by the Financial Conduct Authority – it isn't something I'm able to comment on within this decision. However, if Mr K wants to accept this offer of compensation, he should either let Wise or our service know.

I appreciate this will likely come as a disappointment to Mr K, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded 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 K to accept or reject my decision before 27 February 2024.

Jack Ferris
Ombudsman