

## **The complaint**

Mr B complains that Wise Payments Limited (“Wise”) won’t refund around €17,000 he lost to an investment 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 B authorised the disputed payments he made to his crypto wallets from his Wise account (where his funds were subsequently transferred on to the scammers). The payments were requested 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 B from falling victim to the scam, as there are some situations in which a payment service provider should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- Wise doesn’t consider the payment activity on Mr B’s account to have been unusual enough to have warranted any scam warnings or intervention. However, Mr B opened his Wise account in May 2022. Prior to the first scam transaction of €5,000.10, he had only made very small payments not exceeding £10. So, I think Wise ought reasonably to have seen this as higher risk given it marked a change in how the account had been used, such that it should have provided Mr B with a written warning that broadly covered scam risks. It’s arguable that it should’ve also provided a more tailored written scam warning or even spoken to Mr B to question him when he went on to make a further payment to the same payee a few minutes later, as this can often be indicative of fraud. However, even if it had, I’m not persuaded any warning or intervention would’ve ultimately prevented Mr B from falling victim to the scam in this instance.
- I say this because Mr B had not been contacted by a broker out of the blue offering an investment, for example, which can often be a strong indication of a scam. He had instead been introduced to the investment by a trusted friend, who he understood to have been making good returns. So, any warning setting out the risks of being contacted by an unsolicited broker would not have resonated with the circumstances in which Mr B had found the investment. He has said that he trusted the recommendation made by his friend and that he had no reason to believe he was being scammed.
- I also note that there was very little information available about the scammer ‘Lamelle

Financial Consultants' when Mr B was making the payments, and he wasn't able to find anything about them online. So, even if he had been warned by Wise and advised to carry out further research, it would have been unlikely to yield any results that would've led him to believe he was being scammed.

- So, in these circumstances, I don't consider it would be fair and reasonable to hold Wise liable for Mr B's loss, because it seems more likely than not that he would have always made the payment to the scammers, notwithstanding any scam warnings or intervention it could've given.
- Given that Mr B paid money from his Wise account to his own crypto wallets before moving it on to the scammer, there also would've been no prospect of Wise being able to recover any of the money.

I appreciate this will likely come as a disappointment to Mr B, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that 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 B to accept or reject my decision before 11 December 2023.

Jack Ferris  
**Ombudsman**