

The complaint

Mr A is unhappy that Wise Payments Limited (Wise) has decided not to refund him after he says he was the victim of an authorised push payment (APP) scam.

What happened

Mr A says he was the victim of a job scam. The details of the events surrounding the job and Mr A's description of events were set out in the investigators view. Ultimately Mr A says he opened a crypto-currency wallet and made a series of payments from various bank accounts. Here Mr A made a payment to an individual from his Wise account.

Several months later Mr A contacted Wise, complaining that it failed to intervene with the payment he'd made, and he was seeking reimbursement of the payment, plus interest. One of our investigators looked into things and said, at the time of issuing his view he hadn't received Wise's business file or confirmation that it had issued a final response letter to Mr A. But he was able to reach a finding on the complaint based on the information provided by Mr A and his representatives.

The investigator concluded that the payment Mr A made was not unusual or suspicious to the extent that Wise ought to have considered it as such and intervened. He said:

- The account was newly opened so there was no account history to compare the payment against.
- It wasn't uncommon for consumers to make one-off large payments like the one Mr A made and the payment wasn't large enough in and of itself.
- The payment was made to an individual and not a crypto-wallet and wouldn't have appeared suspicious to Wise.
- Mr A didn't speak with anyone at Wise when making the payment and he didn't think Wise missed an opportunity to intervene either.
- The investigator thought about Wise's actions in terms of recovering Mr A's funds. But Mr A didn't report the scam until four months later, so he didn't think there was any likelihood of the funds remaining.
- He added that the payment is not covered the CRM code as Wise is not a signatory to it.

Mr A's representatives disagreed. They said the account was newly opened the day before and the payment was a large sum - it was therefore unusual. Wise failed to do checks on recipient account, using Confirmation of Payee, or provide warnings to the consumer. And as Wise had not provided its business file with supporting evidence adverse inferences should be drawn.

The investigator considered these points further, but said they did not persuade him that the payment ought to have been considered unusual or suspicious.

As the complaint couldn't be resolved it was passed to me for a final decision.

Wise has since confirmed the funds were moved on within 10 minutes of being received into the recipient account and the account closed before Wise was made aware of the scam.

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 carefully considered everything I'm not upholding Mr A's complaint.

In broad terms, the starting position at law is that a bank, payment service provider or electronic money institution is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And I have taken that into account when looking into what is fair and reasonable in this case.

I've considered whether there was anything about the circumstances surrounding the payments that could have put Wise on notice that they were being made as part of a scam. And I don't think there was.

- Although this was a new account that in and of itself isn't enough to say that any payments then made into or out of the account, should be treated as suspicious.
- The payment, whilst not insignificant, is not what I would consider as unusually high in value.
- The payment was made to another UK based account, held at Wise, and doesn't appear to be unusual in any other way.
- Mr A's representative argues that no confirmation of payee was shown to verify the recipient account. Confirmation of payee (COP) is used to check the account/beneficiary name and whether it matches the details the payer has provided. Here a COP is unlikely to have shown a non-match given this doesn't seem to have formed part of events Mr A described. What's likely happened is Mr A has paid another individual in a peer-to-peer crypto purchase. So, I'm not persuaded this bears any relevance on the payment being considered unusual.
- Whilst we haven't received Wise's business file in full it has now provided some information about the payment and the funds moving on from the beneficiary account. But overall, I'm satisfied, there is sufficient evidence to fairly determine the outcome of this complaint.

In conclusion, I agree with the investigator. I don't think the transaction and account activity were so unusual that Wise should have been concerned Mr A was at risk of financial harm. So, I don't think Wise made an error by not intervening when Mr A made the payment.

And Wise has now confirmed that the money was moved within minutes of it being received into the beneficiary account. So, I'm satisfied that Wise couldn't have prevented Mr A's losses after he reported the scam either.

Overall, I can't say that Wise is at fault here. So, I'm not recommending that it refund Mr A's losses.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 February 2024.

Sophia Smith
Ombudsman