

The complaint

Miss S complains that Wise Payments Limited (“Wise”) won’t refund over £24,000 she lost to a fake job scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here.

In brief, Miss S fell victim to a fake job scam after receiving a message via a messaging service - I will call the scammer ‘B’. B told Miss S that she would be paid for completing a number of tasks, but she would have to open an account with Wise and then send funds to various people via transfer. She funded these transactions from an account that she held with a different provider that I will call D.

So, over a couple of months, Miss S made a number of debit card transaction from D to her Wise account and these were then sent via transfer to several different peoples accounts who were associated to B.

Miss S realised she had been scammed after she was continually pressured into paying more money to B.

Our investigator rejected this complaint as they thought that Wise should have intervened on 7 December 2022 but that any intervention would have been limited to a generic warning and this in turn would not have prevented the scam in question from continuing. So, he decided that Wise should not refund any of the payments in question. Miss S did not agree to this and therefore this case has been passed to me to issue a 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.

I’m very sorry that Miss S has lost so much money in a cruel scam. However, 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.

I understand the investigator considered that the payment of £6,365 made on 8 December 2022 ought to have been regarded as unusual, given that it was larger than the payments that Miss S usually made. In my view this really should have been flagged by Wise as being unusual account activity especially as it did flag on Wise systems as unusual albeit that it thought Miss S was trading crypto.

Given this size of the payment, I think Wise should have intervened and provided a generic scam warning. But I don't think that any such warning would have altered Miss S's decision to make the transactions in question.

I say this because given that Miss S was transferring funds directly to another person rather than to a crypto exchange. My understanding is that transfers to crypto exchanges are what typically happens in a job scam. So, any generic warning linked to a transfer to another person was unlikely to include a detailed description of a fake job scam – the type Miss S fell victim too. Miss S clearly believed that B was a legitimate and she had done her own research into B. So, I find it unlikely that such a warning would have altered Miss S's decision to carry on with the transactions in question.

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 and managed to recover £4,000. So, I think Wise has acted reasonably.

Overall, whilst I'm sorry to hear of Miss S'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 Miss S to accept or reject my decision before 12 April 2024.

Charlie Newton
Ombudsman