

## **The complaint and what happened**

Mr V complains that Wise Payments Limited (“Wise”) won’t refund money he lost when he fell victim to a scam. He made three payments – a card payment and two transfers – in July and August 2023 to what he thought was an investment opportunity, but it turned out to be a scam.

Our investigator didn’t uphold the complaint. They didn’t think any of the payments looked suspicious such that Wise ought to have made additional checks before processing any of them.

Mr V disagreed and asked for the matter to be referred to an ombudsman. He said the scammer ruined his life by making him open a new account and make the payments.

After the complaint was passed to me, I contacted Mr V and explained that according to Wise’s system records he had selected ‘friends and family’ as the payment purpose when asked about the two transfers. I asked him why he selected that option when a more appropriate option – investment – was also available. Mr V said the scammer told him not to share any information and asked him to select that option as it would make it easier to complete the transaction.

## **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 taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I’ve reviewed Mr V’s account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I’m not persuaded that Wise ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr V before processing them.

While the debit card payment (£130) was identifiably cryptocurrency related – the merchant was a cryptocurrency platform – it doesn’t mean it should automatically be treated as suspicious, particularly when there are no other concerning factors about the payment. As for the transfers, Wise couldn’t reasonably have known that the intended recipients were also linked to cryptocurrency.

It’s worth noting that Wise did take additional steps when Mr V authorised the transfers and asked him to confirm the payment purpose. Mr V selected ‘friends and family’. Given the limited information Wise had about the destination account, I don’t think it could reasonably have known that Mr V was falling victim to an investment scam. Mr V’s response prevented Wise from identifying the actual scam risk the transactions presented.

Thinking next about recovery of payments, I can see that Mr V was able to transfer £191.33

back from his cryptocurrency wallet. As for the remaining funds, it's unlikely recovery would have been successful given the cryptocurrency he bought legitimately was sent out to the scammer. In relation to the card payment specifically, a chargeback would likely have been unsuccessful as merchant he paid (the cryptocurrency platform) did provide the service, i.e., provision of cryptocurrency in exchange for fiat funds. Therefore, I don't think Wise could or should have done anything more in relation to recovering Mr V's money once it was notified of the scam.

In summary, while Mr V has undoubtedly been the victim of a cruel scam, I don't find there were any failings on Wise's part that would lead me to uphold this complaint.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 27 March 2025.

Gagandeep Singh  
**Ombudsman**