

The complaint

Mr P complains that Wise Payments Limited has declined his request for a refund of payments he made as part of a scam.

What happened

Mr P has explained that he fell victim to a 'job scam' in December 2022. He says he was contacted with an opportunity to help test mobile applications by completing tasks online. As part of this he needed to deposit money which was supposed to then grow as he completed tasks, with payment upon completion of a set of tasks. However, when a 'super task' appeared he was required to deposit more money – he did so until this happened repeatedly and the amount he was being asked to send became unmanageable.

I understand Mr P also made payments through his business account and other payment service providers, so for clarity this complaint only focuses on the payments Mr P made using his personal Wise account.

Here, Mr P made eight payments on 25 and 26 December 2022 to two cryptocurrency platforms – two of which were unsuccessful/returned. In total he lost over £6,000 from this Wise account.

When Mr P complained to Wise, it declined his request for a refund. Wise said the disputed payments were authorised debit card payments authenticated via 3DS and so it couldn't raise a chargeback and it wasn't responsible for Mr P's losses under the account terms and conditions.

Mr P complained to our service, and said Wise had an obligation to help identify and protect its customers from fraud. The investigator upheld the complaint in part, they recommended Wise reimburse two payments plus interest to Mr P – these represented payments six and eight (payment seven had been returned at the time).

Mr P accepted this outcome, but as Wise didn't respond the complaint was passed to me for a decision by an ombudsman. I issued my provisional decision on 13 December 2023 explaining that I had reached a different conclusion to the investigator and why.

In summary I explained I thought Wise ought fairly and reasonably to have identified the payments were suspicious by the fourth payment Mr P attempted and that if it had undertaken an appropriate intervention that this would likely have prevented further loss to Mr P. However, I also thought it was fair for Mr P to bear half of the loss in the circumstances. I explained Wise should also pay Mr P simple interest at 8% on the award.

Mr P accepted my provisional decision, but Wise hasn't responded and the deadline provided has now passed.

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.

As no new information or arguments have been made by the deadline provided, my findings remain the same. Unfortunately, Wise didn't respond to all information requests from our service, so I've needed make my decision based on the evidence available.

It doesn't appear to be in dispute that Mr P has been the victim of a scam. For completeness, based on the information available I'm persuaded that he was. I've reviewed a record of his chat with the scammer which is consistent with Mr P's version of events.

Mr P has confirmed that he made the disputed payments which means they were authorised. So, the starting point under the relevant regulations is that Wise was expected to execute those payments without undue delay. However, taking into account good practice at the time, I think Wise ought fairly and reasonably to have had steps in place to protect its customers, including against the risk of financial loss due to fraud.

Mr P has provided a copy of his Wise account statements from February to December 2022. I've used these to determine whether the disputed payments ought to have appeared suspicious in the context of his normal account activity. I think it should have because:

- All the disputed payments were debit card payments to a cryptocurrency platform. And based on Mr P's statements, he hadn't paid a cryptocurrency platform previously from this Wise account.
- Whilst Mr P had made large payments previously, these were transfers between his accounts rather than card payments to external merchants.
- Unfortunately, I don't have the timings of the payments. However, I can see that there were seven attempted on 25 December 2022, so they were likely at pace.
- On 25 December 2022, Mr P's second payment to a cryptocurrency platform appears to have been returned, at which point he switched to a second cryptocurrency platform. This happened again later that day.
- Given this unusual activity and the higher risk nature of multiple payments to a cryptocurrency platform in quick succession, I think Wise ought to have identified a potential risk to Mr P by the fourth attempted payment (for £868.88). At this point I think it would have been reasonable for Wise to intervene and establish the purpose of the payments.

I've gone on to consider whether an appropriate intervention would likely have prevented further loss. I think I would have because:

- Based on what Mr P has told us and his chats with the scammer, there's nothing to suggest he had been coached to be dishonest about his reason for making the payments.
- So, I think it's likely Mr P would have disclosed that a third party had asked him to send cryptocurrency as part of a new 'job'. And that he needed to make further payments or lose what he had already deposited. This would not have sounded legitimate to Wise and from there an appropriate conversation ought to have unravelled the scam.

I've also needed to think about whether Mr P bears some responsibility for his loss here, and therefore whether it would be fair to make a deduction to the award in the circumstances. I

think this would be appropriate in the circumstances because:

- Mr P has explained that he didn't find it unusual being contacted by a potential employer as his contact details were available on a professional networking website. He also checked that the company and individual he was speaking to were real. It appears that they were impersonated.
- Whilst I recognise that Mr P made an effort to undertake some due diligence, I am concerned about the plausibility of this job opportunity. Particularly as I'm not aware that Mr P received a contract or terms of employment. Mr P thought he was helping to test mobile applications for a large company. I think it would have concerned most people that he had to deposit funds in order to access tasks to complete and that the amount he could earn was linked to the amount he deposited rather than the amount of work he completed. Mr P refers to the tasks as 'bets' implying he believed there's an element of chance involved – which again is unusual in an employment setting.
- Mr P has also explained that he became concerned that as the 'job' evolved he was asked to make increasingly large deposits to be able to complete a set of tasks. He's said *"At some point I started to suspect I was being scammed but I was caught in this situation where if I quit there and then, I would have lost all the money I deposited thus far. If I continued I had a small hope that if I managed to complete the job (assuming no other super-task appeared before I completed the 50 or so tasks) I would get all my money back and never do this again. However the more I deposited hoping to reach the 50th task the more super tasks appeared asking me for exponentially more money."*
- I think a reasonable person would have taken more steps to verify the opportunity, such as directly contacting the company / contact they'd found online, particularly once they became concerned. And whilst I do appreciate that he did not want to lose the money he had already sent, once he became concerned that it was a scam, I don't think it was reasonable to continue sending money in the hope of getting it all back.
- For these reasons, I think it's fair to make a 50% deduction on the award to recognise Mr P's role in circumstances.

So, for the reasons explained I don't think Wise acted fairly in declining Mr P's request for a refund of the disputed payments – and that it should provide a partial refund plus interest.

My final decision

My final decision is that Wise Payments Limited should do the following:

1. Refund 50% of four payments (£868.88, £912.33, £833.46 on 25 December 2022 and £999.07 on 26 December 2022).
2. Pay Mr P interest at 8% simple on the award in point 1, from the date of the payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 February 2024.

Stephanie Mitchell
Ombudsman