

## **The complaint**

Miss S complains that Wise Payments Limited (“Wise”) refuses to refund the money she lost to a job scam.

## **What happened**

I’m not going to cover all the points raised in detail. The view of 9 December 2023 covered the detailed timeline of the transactions and the details of Miss S’s testimony.

But briefly, Miss S fell victim to a job-based/task scam. Between 9 January 2023 and 16 January 2023 Miss S transferred a total of £5,840.45 (over a number of transactions ranging from £25 to £2,255) from her Wise account on to the scammer.

Our Investigator did not uphold the complaint. She didn’t think the transactions looked suspicious or ought to have led to Wise intervening on the payments.

Miss S did not agree. As the case couldn’t be resolved informally, it’s been passed to me for 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.

In deciding what’s fair and reasonable, I’m required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I’m sorry to hear Miss S was the victim of a scam and I can understand why she wants to do all she can to recover the money she has lost. She’s lost a lot of money through no fault of her own. But that alone doesn’t mean that Wise must reimburse her. It’s important to emphasise that I’m only considering whether Wise, which had no involvement in the scam itself, should be held responsible for what happened.

It’s not in debate that Miss S has fallen victim to a cruel scam. But I can only compel Wise to refund Miss S if it is responsible for the loss incurred. Having carefully considered the circumstances of this complaint, I can see no basis on which I can fairly say that Wise should be held liable for some or all of Miss S’s loss. I will explain why.

The starting position at law is that banks and building societies are expected to process payments and withdrawals that their customers authorise them to make. Miss S made the payments herself. This means that they were authorised payments, even though Miss S did not intend for this money to go to fraudsters.

However, that isn’t the end of the story. As a matter of good industry practice, I’d expect Wise to have been on the lookout for significantly unusual or out of character transactions that might be indicative of the risk of loss through fraud or scam.

So, I've also considered whether Wise should have identified that Miss S was potentially at risk of falling victim to fraud as a result of the payments, or otherwise done more to protect her.

The amount of money Miss S sent, while clearly not insignificant to her, doesn't in and of itself suggest to me any heightened risk of fraud.

Wise did not identify the payments Miss S made as being out of character or suspicious at the time.

I appreciate there were three payments on 16 January 2023 and the third was for £1,950. But I don't consider the payments or pattern of payments Miss S made would have stood out enough to Wise to be considered unusual or suspicious. With the benefit of hindsight, we now know that the payments Miss S made were going to be lost to fraud. But when Miss S sent the money, this wouldn't have been obvious to Wise. The payments were unremarkable (although I appreciate it is a lot of money to Miss S). I accept some of the transactions were larger than usual for the account, but I'm not persuaded this would have stood out as unusual or suspicious.

When considering what payments should be considered significantly out of character, it's often a finely balanced matter. Firms can't be involved in every transaction, and I am mindful that there is a difficult balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. The transactions were completed online and there was no conversation between Wise and Miss S about them. To Wise, they appeared as genuinely authorised payments.

So I don't think the bank missed a clear opportunity to identify a potential scam risk. All of this means that, without any interaction between Miss S and Wise before the payment was made, I can't see any reason why Wise would have suspected Miss S was falling victim to a scam and I don't think it had any reason to intervene and question the payments before they were made.

I've also thought about whether Wise could have done any more to recover Miss S's funds from the recipient bank accounts. The last transaction was made at 13:12 on 16 January 2023 and the scam was reported the same day at 17:07. But the funds left Miss S's account with Wise immediately and the majority of the funds were removed from the beneficiary accounts by the time Miss S had contacted Wise. Four of the recipients did have small amounts of money (£204.14 in total) remaining which Wise has now returned to Miss S.

Having carefully considered everything, there is not enough here for me to think Wise should have suspected Miss S might be the victim of a potential scam at the time she made the payments.

I know my outcome is going to come as a disappointment to Miss S. So, while I'm very sorry about Miss S's loss, I don't think it was caused by a failing on Wise's part.

### **My final decision**

My final decision is that 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 23 February 2024.

Kathryn Milne  
**Ombudsman**