

The complaint

Mr S complains Wise Payments Limited won't refund him transactions he says he didn't make. He'd like the funds returned to him.

What happened

Mr S had an account with Wise. A transaction came out of his account for 580 Euros on 23 May 2023.

Mr S sent messages to Wise saying the recipient has not received the funds, and asking to correct the details on the transfer. Before Wise responded, Mr S called Wise.

Mr S first call with Wise explained a partner had accessed his account without his knowledge and sent money to the wrong person. Mr S explained he had just changed his password to make sure no one could access his account and he asked Wise to change the payment details to the correct person. Wise told Mr S it would look into the issue, the account would be suspended, and he would need to wait for the team to investigate.

Mr S called the same day explaining he'd made a mistake, and he'd input the incorrect name when making the transfer. Wise explained that the transfer had been reported as unauthorised. Mr S corrected this to confirm he wanted the transfer to go out to the correct person, but he'd mis-spelt the name, he'd said he was asleep to make the payment, so a partner made it for him.

Later, Mr S sent a further message to explain his friend won't be able to cash the money, and asked for the transfer to be cancelled.

Wise responded to say the transfer has been completed and can't be cancelled. It also explained to Mr S that his account was being deactivated and gave information on how to appeal this.

Mr S responded to say he's been told the money was declined.

Wise explained that the transfer had been completed and provided a receipt to show this. It recommended Mr S speak to the recipient to check it had been received.

In June 2023, Mr S brought a complaint to our service. He said that someone had accessed his account, at the time he thought it was his partner but now she claims she sent details to someone else to send the funds across. Mr S felt this was clearly a scam.

At the time Wise hadn't had the opportunity to look at a complaint, so we sent the complaint to Wise to investigate.

In August 2023 Wise sent Mr S its final response to the complaint. Wise explained when Mr S contacted them about the transfer, it had already been authenticated and sent out, and couldn't be reversed. It couldn't have reasonably foreseen an issue with the transfer, and there was nothing more it could do to recover the funds as the recipient account had been

emptied.

It also explained the account closure, and came to the conclusion that it didn't think Wise was responsible for the loss. It did recognise it took longer than it should have to issue the final response letter, so offered £50.

Mr S remained unhappy so brought the complaint to our service. He's said he has proof this was a theft orchestrated by another Wise customer, and neither the other customer nor Wise are refunding him.

One of our investigator's looked into the complaint. They asked Mr S for more information about who completed the transaction, how it happened, and the reason for the transfer.

Mr S explained the transfer was completed by someone else, and the co-worker who initially said they completed it, now told him they hadn't. The money was sent across to someone dealing in cryptocurrency in relation to someone he'd been dealing with remotely for work. He also said no one apart from him had access to the account, so it left him clueless as to how the transfer could've been made. Mr S said he thinks the third party had gained access to the account a few days prior to the transfer.

Our investigator found it was most likely Mr S authorised the payments either himself or by allowing someone else to complete it. They didn't recommend Wise take any further action.

Mr S disagreed, explaining again that he didn't complete the transfer.

Our investigator responded to explain Wise had been given three different version of events which made it difficult for it to determine how to deal with the issue. Wise have shown evidence that the transfer was completed by biometric face ID and confirmation texts were sent to his device. This information in addition to the inconsistent version of events led them to believe the transaction was most likely completed by Mr S, or Mr S allowed someone else to make it for him.

Mr S responded again to explain that he had full trust in the person that told him how the transfer happened, and he's been told many different stories as to how it happened. He explained that it's been admitted it happened from London, when he was in Italy. Mr S reiterated that it wasn't him who completed the transaction and if we've been told it was by face ID then this is a lie.

As there was no agreement, this complaint has been passed to me to decide.

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 done so I've decided not to uphold this complaint. I'll explain why.

disputed transaction

Generally, Wise can hold Mr S liable for the disputed transaction if the evidence suggests it's more likely than not Mr S, made or authorised the transaction, or it was made with Mr S' consent.

Wise has provided technical evidence that shows that Mr S' device was used for the transfer along with a one-time token and biometric verification completed. Based on this I'm satisfied

that the transaction was authenticated using the appropriate security credentials. But the regulations relevant to this case say that is not, on its own, enough to enable Wise to hold Mr S liable. So, I also need to think about whether the evidence suggests it's more likely than not Mr S completed the transaction, or consented to it being made.

Mr S states that he's been told a third party had completed the transaction and he believes a third party had access to the account a few days before the transaction. He's also told us the transaction took place in a location not based on where he was located at the time.

However, the technical evidence that I've seen, doesn't suggest any unauthorised third party has made the transaction on any device other than Mr S'. What's more the transaction doesn't appear out of character in terms of the location, to another transaction and other usage of the account leading up to this transaction.

Mr S had the device to change the password soon after the transaction was made, this was confirmed in a call with Wise, and supported with Wise technical evidence. So, I'm satisfied Mr S most likely had the device used to complete the verification to make the transaction. Whilst Mr S says that his biometrics couldn't have been used, the evidence from Wise suggests that it was. This shows Mr S was most likely present at the time the transaction was made.

I've listened to the phone calls Mr S made to Wise shortly after the transaction had been made. In the first phone call he said a partner had made the transaction, and asked if the details of the recipient could be changed to the correct details.

Mr S called back and explained that he'd made a mistake and added the incorrect spelling of the recipient. He wanted the details changed so that the payment would go through, and confirmed it was a payment he wanted to make.

This tells me Mr S was intending to make this payment, and wanted the payment to go to the recipient at the time. It tells me that the concern with the payment was Mr S wanting to make sure it got to the correct place, rather than it being a payment Mr S didn't want to make.

Based on the technical evidence showing that the transaction was completed using a device Mr S had in his possession, and the calls shortly after evidencing, that at the time, Mr S wanted the transaction to go through, I'm satisfied that it was most likely authorised by Mr S or he consented to it being authorised.

Because of this I don't think it was unreasonable for Wise to hold Mr S liable for the transaction at the time Mr S first raised the issue.

Mr S was told that it had gone to the correct recipient and can't be recalled or cancelled once it was completed. I'm satisfied Wise were correct in explaining this to Mr S in the hours and days following the transaction.

Mr S now also explains that the transaction relates to scam and that whilst he didn't send the money, it was paid in relation to work for translations, but that he later found that they were not completed by a professional.

Whilst I appreciate, and I'm sorry to hear Mr S may have had issues with people he may be doing business with, for me to say this payment should be considered as one related to a scam, I need to be satisfied that fraud has occurred. I haven't been provided with any evidence that corroborates that Mr S has been the victim of fraud. And the explanation that has been provided has been substantively inconsistent and unclear as to the nature of how and why this payment was carried out to then be considered as fraudulent.

So I don't think Wise needed to do anymore to consider this as a scam payment.

Account closure

An account provider is entitled to close an account just as a customer may close an account with the provider. But it must do so in a way which complies with the terms and conditions of the account. The terms and conditions of the account, say that Wise could close the account with two months' notice, or immediately in certain circumstances.

Having looked at the information given to me by Wise and Mr S, I'm satisfied it was entitled to close the account in the way that it has done, and has done so fairly in line with its terms and conditions. It's understandable if Mr S would want a detailed explanation for why Wise closed his account in this way. But it's under no obligation to do so.

For the reasons outlined above, I won't be asking Wise to do anything further here.

Compensation

Wise final response letter apologises and offers £50 for a delay in sending out its final response letter. As I explained above, I don't think Wise has made a mistake which has caused any distress or inconvenience, so I don't think Wise needs to do anymore.

My final decision

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 S to accept or reject my decision before 14 March 2025.

Simon Yates
Ombudsman