

## **The complaint**

Mr Y complains that Wise Payments Limited won't refund all the money he lost to an investment recovery scam.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- It isn't in dispute that Mr Y authorised two payments totalling £2,730 on 9 May 2023 from his Wise account towards what he believed was a company trying to recover money from a previous investment he'd made. The payments were sent to an individual Mr Y legitimately purchased crypto from on a peer-to-peer basis. The payments were requested by him using his legitimate security credentials, and the starting point is that payment service providers ('PSPs') ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I've considered whether Wise should have done more to identify that Mr Y could be falling victim to a scam, as there are some situations in which PSPs should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly unusual and out of character.
- Mr Y's Wise account was a relatively new account having been opened in March 2023. Therefore, there was very little activity for Wise to compare the disputed payments to. In my judgement, the disputed payments were not sufficiently unusual or suspicious in appearance for Wise to suspect that Mr Y could be falling victim to a scam. Wise says that Mr Y was asked to provide a reason for the payments and he stated he was sending money to himself and it showed him warnings relevant to this risk. The warning wasn't crypto or investment specific, but I do think it was proportionate to the risk Wise may have reasonably identified based on Mr Y's answer. There weren't any obvious identifiable features of the payments that ought to have suggested that Mr Y could be falling victim to a scam. As he sent the funds to another person to purchase crypto, Wise wouldn't have known that he was purchasing crypto unless Mr Y disclosed it. I don't see that he did, and I don't find that Wise missed an opportunity to intervene or provide a warning to him about the potential risks his payments posed.
- Wise attempted to recover Mr Y's payments but there were no funds remaining. I expect this to be the case as Mr Y purchased crypto from another person and sent

this crypto onto the scammers. There would have been no prospect of Wise recovering his payments as he didn't pay the scammers directly.

- I'm not persuaded Wise acted unreasonably by declining to refund Mr Y and I don't consider there to be any fair or reasonable basis in which it can be held responsible for his loss.

I appreciate my outcome will come as a disappointment to Mr Y and I'm very sorry to see he's lost his money to cruel scammers. But for the reasons I've explained, I don't require Wise to do anything differently.

### **My final decision**

My final decision is, despite my natural sympathies for Mr Y's loss, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 16 April 2024.

Dolores Njemanze  
**Ombudsman**