

The complaint

Miss G complains about the actions of Wise Payments Limited when she lost money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In 2022 Miss G was looking for a second job and posted her CV online. She was contacted by a recruiter who said he worked for a well-known merchant. Miss G was offered a role that involved completing 'missions' in order to boost data for merchants linked to a particular company. In June 2022 Miss G was instructed by the 'recruiter' to send four payments totalling £6,485.86 via her online banking that I've outlined below;

Date	Time	Method	Amount	Total
22 June 2022	1:47PM	Open Banking	£50	£50
28 June 2022	3:13PM	Transfer	£3,198.90	£3,248.90
28 June 2022	3:21PM	Transfer	£2,951.99	£6,200.89
28 June 2022	3:26PM	Transfer	£284.97	£6,485.86
Total				£6,485.86

Miss G was able to withdraw some profits which helped her think this was a genuine job but she realised it was a scam when she didn't have any further funds to add and was asked to send another £18,000. Miss G then spoke to her partner who told her that this was a scam.

Miss G reported the scam to Wise on 29 June 2022. Wise considered the claim but decided not to offer Miss G a refund. So, Miss G made a complaint. Wise reviewed the complaint and offered Miss G £175 for the delays it caused when investigating the claim and subsequent complaint. Miss G remained unhappy, so she brought her complaint to this service in relation to the four payments she sent to the scammers.

Our investigator thought the complaint should be upheld in part. He said he didn't think the first two payments of £50 on 22 June 2022 and £3,198.90 on 28 June 2022 were sufficiently unusual for Wise to have spoken to Miss G. But he did think that Wise should've done more to speak to Miss G when she sent the third payment of £2,951.99 on 28 June 2022. And if it had then the scam would've been uncovered. So, Wise should refund the third and the fourth payment (£284.97) with 8% simple interest. The investigator added that he thought Miss G had contributed to her losses here after he reviewed the conversations she had with the scammer and saw that she asked if this was a scam. So, he said a reduction of 50% should be applied to any refund from Wise. And he said the £175 Wise had offered for the delays was fair in the circumstances.

Wise agreed with the investigator. But Miss G disagreed. She said she barely used Wise before making the scam payments and she received no warning about any of the four payments she made here. She added that she had brought similar complaints to banks in relation to the same scam and been refunded her losses in full. Miss G said that her

question to the scammer asking whether this was a scam is a common phrase used by people and that there was no way for her to think that she was being scammed here.

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 to uphold this complaint in part. I'm sorry to hear that Miss G has been the victim of a cruel scam. I know she feels strongly about this complaint and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Here I can see that Miss G made other payments from her Wise account and from accounts she holds with banks. But I'm only considering the four transactions I've mentioned above and which the investigator has already confirmed with Wise and Miss G. I would also like to make it clear that each complaint is decided by our service on its own facts and merits and I'm not bound by what our service might have found in other cases, whether similar to this one or not.

It is common ground that Miss G authorised the scam payments of around £6,485. I accept that these were authorised payments even though Miss G was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Miss G is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Wise's first obligation is to follow the instructions that Miss G provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Wise to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Wise to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Wise to refuse to follow the instruction if there are good grounds to believe it is being made as a result of fraud or a scam.

So, the starting point here is whether the instructions given by Miss G to Wise were unusual in relation to her typical account activity. So, I've reviewed the account statements for the twelve months prior to the scam payments. Miss G confirmed she sparsely used the account before sending these four payments. So, there wasn't a lot of payments for Wise to compare the ones Miss G sent towards the scam. As a result, I don't think the first two payments were so unusual or suspicious to Wise that it should've stepped in and asked more questions of Miss G. The second payment was sent a few days after the first. And although it was much larger (£3,198) it's not unusual for customers to send a one-off larger payment from time to time. So, I don't think Wise has treated Miss G unreasonably by not stopping the second payment. But I think by the time the third payment was sent this should've been seen as unusual activity on Miss G's account. That's because by that point around £6,000 was going

to be leaving the account across two transactions on the same day. So, I'm satisfied that was unusual when considering Miss G's previous account activity.

And if that third payment had been stopped then I'm satisfied that it's likely the scam would've been uncovered by a trained call handler asking some probing questions of Miss G about why she was sending this money. I note Miss G hadn't been coached by the scammers to give a cover story explaining the reasons for the payment. So, if she'd been asked some probing questions, I can't see any reason why she wouldn't have informed Wise that this payment was in relation to a job she had recently started and the reasons for the payment needing to be sent. At that point it would've been clear to Wise that this was a job scam and I'm satisfied Miss G would've listened to any warnings she would've been given.

So, I'm satisfied that Wise should've reasonably done more to stop and discuss payments three and four with Miss G and if it had then that money wouldn't have been lost to the scammers.

Because I've decided that Wise should've done more to stop the third and fourth payments, I've also considered whether Miss G's money would've been retrievable if Wise had had a conversation with her. According to the information provided by Wise the money Miss G sent was removed very quickly from the account she sent it to. So, I'm not satisfied that the first two payments Miss G made towards the scam would've been recoverable in the circumstances.

Did Miss G act reasonably?

The investigator said that Miss G didn't act reasonably here and has subsequently contributed to her losses. I've considered the transcripts of Miss G's conversation with the scammer. I note she says that the phrase 'is this a scam' is a common phrase and used widely now which shouldn't be seen as her believing that she was being scammed at the time. However, I disagree. I don't think this is the sort of question you would ask of a recruiter when being offered a normal job. And I believe Miss G asking that question at a time when she was being asked to create accounts with genuine cryptocurrency exchanges, whilst she felt that a third party might have access to her password, persuades me that she wasn't completely certain about the job opportunity she'd been offered. And a little bit of research (or asking a friend or her partner which coincidentally Miss G did when she realised she had been scammed) would've easily uncovered that this was in fact a scam before proceeding to send such a large amount of money.

So, I believe it's reasonable for Wise to deduct 50% from payments three and four here.

Miss G is unhappy with the way Wise handled her claim and complaint. I note Wise has offered to pay her £175 for any distress and inconvenience it caused Miss G as a result of it's handling of this matter. I've reviewed what happened here including the delay and lack of response by Wise. Having done so, I think the £175 offer, combined with Wise's acceptance of its shortcomings, means it has taken reasonable steps to put things right.

Putting things right

Wise must settle the complaint in line with the below.

My final decision

My final decision is that I uphold this complaint in part. Wise Payments Limited should do the following;

- Pay Miss G £1,618.48
- Pay 8% simple interest per year on this amount from the date of the third and fourth payments to the date of settlement
- Pay £175 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 1 May 2024.

Mark Dobson
Ombudsman