

The complaint

Miss M has complained that Wise Payments Limited (“Wise”) failed to protect her from falling victim to a task-based employment scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Miss M has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Miss M, but I’d like to reassure Miss M and her representative that I’ve considered everything both parties have said.

Miss M explains that around September 2023 was approached by phone by an individual enquiring as to whether she was looking for work, and as she’d recently left university, she confirmed she was. She’s explained that she was then contacted via a messaging app by another individual (“the scammer”) who explained the opportunity in which she’d be required to complete tasks in return for commission. Miss M says she researched the company and there was limited information available about it, but she also checked that the web domain being used was secure, which it was.

It appears that before being able to work, Miss M was required to purchase cryptocurrency which was then transferred to the scammer in return for being allocated tasks to complete. She says she was directed to open a Wise account in order to do this, which she did. She explains she was told she’d need to complete a set number of tasks per day and she was given access to the “work bench” to do the tasks, which she says seemed legitimate.

Miss M says that she received some small payments in relation to the work she’d completed, which further persuaded her that the scam was a legitimate employment opportunity.

The payments Miss M sent are as follows:

	Date	Amount (£)
1	08/09/2023	10
2	10/09/2023	1,500
3	10/09/2023	18
4	19/09/2023	5,500
5	19/09/2023	2,000
6	21/09/2023	4,730
7	22/09/2023	4,100
8	25/09/2023	2,500
9	25/09/2023	30
10	27/09/2023	2,000
11	27/09/2023	300

12	27/09/2023	6,000
	Total	28,688

Miss M made a complaint to Wise, but Wise didn't respond. So Miss M referred the complaint to this service.

Wise initially didn't provide its business file, so the investigator upheld the complaint as she hadn't been provided with anything to show that Miss M had received any warnings, or that Wise had intervened in any way. Following this Wise provided its file. The investigator considered everything afresh, and in light of receiving Wise's side of the story, she didn't think the complaint should be upheld. She said this because she was satisfied that she had been provided evidence that Wise had given Miss M proportionate warnings before she made the payments, but she chose to make them anyway.

As Miss M didn't accept the investigator's opinion, the case has been passed to me to make 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.

I'm sorry to disappoint Miss M but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Miss M authorised these payments from leaving her account. It's accepted by all parties that Miss M gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Miss M's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I've started by considering the pattern of payments made, and having done so, I'm satisfied that Wise should've realised Miss M might've been at risk of financial harm. I say this because although the payments are spread out across around four weeks, there are days where the cumulative value of the payments was large enough that Wise ought to have realised Miss M might've been at risk of harm.

I can see that Miss M's account had been open for some time but in the months before the payments were made as part of this scam it hadn't been used much. So I'm satisfied that based on the way Miss M generally used her account, and what "normal" activity looked like for her, Wise should've been concerned when there was a sudden increase in payments, both in value and frequency. And with this in mind, I think it would've been reasonable for Wise to step in when Miss M sent the payments of £2,000 and £5,500 on 19 September 2023.

I say this because the cumulative value of these payments exceeds the value of any other payments Miss M had made previously, with the largest one being for £2,000. This, combined with the fact that the funds had credited Miss M's account on the same day, and were being sent to a new payee, makes me think that Wise should've intervened firstly to

satisfy itself that Miss M wasn't at risk of financial harm, but also to equip Miss M with the information she needed in order to make her own decision on whether to proceed with the payments.

Wise says it gave Miss M a generalised scam warning, and then asked her for the purpose of the payments she was making on five occasions – for payments 2, 3, 6, 10 and 12. It says that each time it asked, Miss M selected from a list of reasons that she was “paying for goods and services” and she was then shown a corresponding warning relevant to this payment purpose. It has provided a copy of the warning and I note it encourages Miss M to ask herself some questions before deciding whether to proceed with the payment or cancel it. The warning, and the questions, aren't particularly relevant to the scenario Miss M was in, but that's because the payment reason she selected didn't accurately reflect the true reason for the payment.

Wise says that in the list of reasons that Miss M could've selected from as a reason for the payments, she was given the option to choose “paying to earn money by working online”. It's provided a copy of the warning it would've shown if Miss M had selected that reason and I note it asks the following questions: *Have you been asked to pay to earn money?* and *Have you already been paid a small amount?* Miss M would then have been presented with the option to “Continue to payment” or “Cancel this transfer”.

Having considered this, I think the fact that Wise asked for the purpose of the payments and provided an option that was directly relevant to Miss M's situation, means the way Wise intervened was proportionate. It showed clear warnings specifically tailored to the purpose selected, and although I do realise the warnings Miss M saw weren't particularly relevant to the payments she was making, I don't hold Wise responsible for that. Had Miss M selected the correct reasons for the payments, I'm persuaded that the warnings she'd have been shown were clear and unambiguous enough for there to be a good chance they'd have prevented the scam from taking place.

I've also considered the fact that Wise didn't ask for the payment purpose – or show warnings – for all of the payments. But I don't think that makes a difference in this case. As Miss M gave the same incorrect payment reason all five times she was asked, I see no reason to believe that she would've answered the question differently at any other point in the scam. So I don't think Wise would've had the opportunity to understand the true reason behind the payments, and therefore any warnings it showed at any point would likely have been ineffective.

I should stress that I don't believe Miss M intentionally deceived Wise by giving the incorrect purpose of the payments. But whether it was a careless mistake or indeed intentional, it remains that Wise can't be held responsible for not taking appropriate action based on the incorrect information it was given.

Whilst considering whether Wise met its obligations, as set out by Miss M, I've also considered whether Miss M's actions are attributable to some of the losses. I accept that Miss M had recently finished university so she was open to employment opportunities, but it's very unusual for a recruiter to contact a prospective candidate and offer them a job by phone or through a messaging app without ever having spoken to them. I'm also not aware that Miss M received any kind of paperwork or employment contract showing what she thought she'd been offered, or what she'd agreed to do in return. This, as well as having to pay to earn money in return, isn't a plausible scenario. So although I agree that Miss M is the victim here, I do think she could've done more to protect herself from the financial harm she's experienced.

I'm very sorry that Miss M has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Wise responsible for that.

My final decision

I don't uphold Miss M's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 30 October 2024.

Sam Wade
Ombudsman