

The complaint

Mr T complains that Wise Payments Limited (trading as “Wise”) won’t refund over £70,000 he lost to an investment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will 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 T authorised the disputed payments he made from his Wise account to the scammer. The transfers were requested using his legitimate security credentials provided by Wise, and the starting position is that firms 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 prevent Mr T from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly suspicious or out of character.
- It’s not clear if any of the payments did flag as unusual to Wise as it hasn’t provided this information. But given Mr T’s account had only recently been opened, Wise wouldn’t have had any account history in which to compare the payments Mr T was making to determine whether they were unusual or not. Nevertheless, in light of the value and frequency of the first two payments going to the same payee, Wise ought reasonably to have provided a written scam warning to Mr T. And when he came to make the payment of £59,983.28 on 20 September 2022, I think it should have gone even further and blocked this payment until it has spoken to Mr T and made further enquiries about the purpose of the transaction, as the significant increase in value to the same payee ought to have given Wise reasonable cause for concern that he was at a heightened risk of fraud.
- However, even if Wise *had* intervened at this point and asked further questions about the nature of the payments Mr T was making, I’m not persuaded it would have likely revealed that he was falling victim to a scam or ultimately prevented his loss. I’ll explain why.
- As part of the same investment scam, Mr T also made payments from accounts he held with other banks. One of these banks blocked his payments and asked what the nature of the transaction was for, to which he said he was paying a family member, whom he’d known for a long time. Mr T said that the money was for car repairs as

well as a private operation that his family member was due to have, and that he had received the payment details from them directly over the phone.

- So, it's clear Mr T was not being upfront and honest about the true purpose of the payment. I appreciate he had been coached to mislead the bank by the scammer. But I note that his other bank also asked him whether he'd been told to lie about the purpose of the payment, which he confirmed that he hadn't. His bank still had concerns about the payment, however, and refused to process it. It said it had concerns that he was falling victim to a scam, but this still didn't prevent Mr T from making further payments, as he then transferred the funds to a different account in his own name, which was subsequently received into his Wise account before being sent to the scammer.
- Based on this evidence, it's clear that Mr T was being coached by the scammer on what to tell his bank if any of the payments were stopped. So, even if Wise had questioned Mr T about the reason why he was making the payments, I'm not persuaded he would have given upfront and honest answers. I also don't think any written scam warning Wise could've provided would have likely prevented the scam either, given Mr T continued to make the payments after he'd been warned by his other bank that he might be falling victim to scam.
- As a result, I'm not persuaded any further questioning, or scam warning Wise could've provided would have likely revealed the scam either. So, I don't consider it would be fair and reasonable to hold Wise liable for failing to prevent Mr T's loss.
- It's also not clear if Wise took any action to try and recover the funds after Mr T reported the fraud. But given the length of time that had passed between Mr T making the payments and reporting the scam, I think it's more likely than not that the funds would have already been removed from the account. So, I'm not persuaded Wise could've likely done anything more to recover the funds from the receiving account.

I appreciate this will likely come as a disappointment to Mr T, and I'm sorry to hear he has been the victim of a cruel scam. However, in the circumstances, I do not consider it would be fair and reasonable to hold Wise liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 6 June 2024.

Jack Ferris
Ombudsman