

The complaint

Mr L complains that Wise Payments Limited (“Wise”) won’t refund the money he lost as a result of an employment scam.

He’s being supported by a representative. To keep things simple, I’ll refer to Mr L throughout this decision.

What happened

The background to this complaint is known to both parties, so I won’t repeat all the details here. In summary, Mr L says:

- He was looking for opportunities to generate additional income and savings. He received a message from the scammer via WhatsApp, offering part-time employment. He was led to believe the job would involve completing online ‘tasks’ and was given an initial £25 to start off with. He believed he’d be earning commission for completing these tasks.
- He followed the scammer’s instructions. Funds were sent from an account he held with another bank, into his newly opened Wise account, and used to buy crypto-currency. The crypto-currency was then sent to the scammer’s digital wallet through legitimate crypto-currency exchanges. He realised he’d been scammed when the scammer continued to ask for more money and he was unable to withdraw his funds.

I’ve listed below the payments I’ve considered as part of this complaint. To note, the crypto-currency was purchased from individuals likely operating in the peer-to-peer (P2P) market. And another complaint about the bank from which the funds originated was investigated by our Service under a separate reference.

	Date	Method	Payee	Amount
1	04-Sep-23	Faster payment	H Arnon	£25
2	05-Sep-23	Faster payment	T Phatwanont	£50
3	05-Sep-23	Faster payment	T Phatwanont	£150
4	06-Sep-23	Faster payment	C Eunsil	£479
5	06-Sep-23	Faster payment	C Eunsil	£1,000
6	06-Sep-23	Faster payment	C Eunsil	£228
7	06-Sep-23	Faster payment	C Eunsil	£1,000
8	10-Sep-23	Faster payment	A Soroka	£1,000
9	11-Sep-23	Faster payment	R D Movchan	£1,000
10	12-Sep-23	Faster payment	C H Lai	£1,146
11	12-Sep-23	Faster payment	P Anderson	£4,354
12	24-Sep-23	Faster payment	J Kim	£860

A complaint was made to Wise in October 2023. It hasn’t refunded any of the disputed payments but offered to pay £50 to Mr L for its delays in investigating the complaint. The matter was then referred to the Financial Ombudsman. Our Investigator didn’t think the

disputed payments should be refunded on the basis that, although she thought Wise ought to have intervened on payment 11 (above), it was unlikely Mr L would have been truthful about the reason for the payment and that the scam would have been unravelled. She also said that Wise's offer for its delays in responding to the complaint was fair settlement.

As the matter couldn't be resolved informally, it's 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 reached broadly the same conclusions as the Investigator.

Authorisation

It's not in dispute Mr L was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute he authorised the payments from his Wise account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr L is presumed liable for his losses in the first instance.

Prevention

There are, however, some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious or out of character.

In this case, Mr L says he doesn't recall receiving any warnings from Wise in relation to the disputed payments and Wise hasn't provided any information to suggest its fraud prevention systems were triggered either. I'm also mindful that, although the money was used to buy crypto-currency, that's not something it would have known because of the method used. But, like the Investigator, I think it's arguable that Wise ought to have done more to protect Mr L from the risk of financial harm considering, for example, the increase in spending and the account activity by the time of the second payment that was made on 12 September 2023.

Causation

That said, I also need to consider whether an appropriate intervention would have likely prevented Mr L's losses – and, on the evidence, I'm not persuaded it would have.

This is because, as referred to by our Investigator, Mr L brought a separate complaint to our Service in relation to this scam but about the actions of another bank. A recording of the call Mr L had (while in branch) with that bank's fraud team on 11 September 2023 shows he was prepared to be untruthful about what was really happening. I can't overlook, for example, that when asked for the purpose of the payment, he responded it was to "*buy second-hand computer parts*" from a friend of his and confirmed that no-one had told him how to answer questions or mislead the bank as to the reason for his payment. When questioned further he said that no third-parties had asked him to make the payment and that he was using Wise because it offered more flexibility including for sending payments in different currencies.

At no point did Mr L say anything about having been messaged about a job opportunity where he was purchasing crypto-currency and sending this on to release online tasks and earn commission. I appreciate Mr L may have been coached by the scammer on what to say for his payments to go through without issue – and I again acknowledge it's arguable there came a point when there was enough about the payment activity for Wise to have intervened

on concerns of financial harm. But given, as the evidence shows, Mr L wasn't honest about what he was involved in when questioned by his other bank, then I'm not convinced he'd have likely been upfront about what was happening, if Wise had stepped in to ask him about the nature of his payments, such that the scam would have been unravelled.

I appreciate this will be disappointing for Mr L. He lost a significant amount of money to a cruel scam. But I'm not persuaded it'd be fair and reasonable to hold Wise liable for those losses in circumstances where it seems more likely than not he'd have given misleading information and gone ahead with his payments irrespective of any intervention.

Recovery

A business is generally expected to attempt recovery of lost funds once the scam has been reported. In this case, however, I don't think that there would have been a basis for Wise to request the return of funds in any event, given the payments were used for the purchase of crypto-currency via third-parties, that crypto-currency was provided, and it was this crypto-currency that was sent on to the fraudster. There's nothing to evidence the third-parties from which the crypto-currency was bought were part of the scam itself.

Customer service

As noted above, Wise offered to pay £50 to Mr L for its delays in investigating his complaint. The Investigator thought that this was fair settlement in the circumstances. The activity of 'complaint handling' isn't regulated and I have no power to comment on this aspect here. But if Mr L would like to accept that offer, then he may wish to contact Wise directly about that.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 1 July 2024.

Thomas Cardia
Ombudsman