

## The complaint

Miss W has complained that Wise Payments Limited (“Wise”) failed to protect her from falling victim to an employment-related 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 W says that in September 2023 she was applying for jobs when she was contacted by an individual (“the scammer”) who told her she could earn money by watching movies and reviewing them. Miss W was required to complete a set number of tasks per day in return for commission.

Miss W explains that during the scam she was introduced to “premium orders”, whereby she could earn 5% more commission, but she’d need to make payments to her “work account” in order to have access to these. She was also promised bonuses for working a set number of consecutive days, and for adding funds to the balance of her supposed work account.

Over the course of around three weeks Miss W made twelve payments to various individuals on instruction of the scammer, under the illusion the payments were funding her work account and allowing her to work.

The payments Miss W made as part of the scam were as follows:

	<b>Date</b>	<b>Amount (£)</b>
1	25/09/2023	65.00
2	27/09/2023	136.00
3	02/10/2023	320.00
4	02/10/2023	812.00
5	04/10/2023	72.00
6	04/10/2023	207.20
7	04/10/2023	210.00
8	09/10/2023	1,500.00
9	10/10/2023	20.00
10	11/10/2023	100.00
11	13/10/2023	100.00
12	17/10/2023	100.00
	<b>Total</b>	<b>3,642.20</b>

It appears Miss W realised she’d been scammed when she wasn’t able to withdraw any of her earnings. She attempted to contact the work platform’s customer service department but her messages went unanswered, and it appears her phone number was also blocked.

Miss W made a complaint to Wise. Wise didn't uphold the complaint as it said that it didn't have any prior account history for Miss W, as it appears she opened her account to facilitate the scam. So it said the transactions didn't appear suspicious or out-of-character. It also said all of the recipients were verified Wise customers, and it had no reason to suspect they were involved in fraudulent activity.

Miss W remained unhappy so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he didn't think the payments were extraordinary enough that Wise ought to have been suspicious about them, so it didn't need to intervene before they were made.

As Miss W 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 W 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 W authorised these payments from leaving her account. It's accepted by all parties that Miss W 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 W'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'd like to start by reassuring Miss W that I understand how distressing it must be to have lost money to fraud, and I'm truly sorry for the impact this has had on her. But after carefully considering what happened, I don't think Wise could reasonably have been expected to prevent her loss.

From the evidence available, the payments Miss W made don't appear to have been unusual or suspicious when viewed in the context of her account's activity. This is largely because her account had only recently been opened – although a lack of history doesn't automatically mean the business doesn't have to be on the lookout for fraud based on its wider knowledge of the financial landscape or the activity it sees on its customers' accounts.

In Miss W's case, the first transaction was made on 23 September 2023 – she made a payment into the account that was transferred out the same day. The scam-related payments Miss W disputes occurred two days later, on 25 September 2023. Given this short timeframe, there wasn't an established pattern of transactions for Wise to compare the disputed payments against.

It's also important to note that Wise is an electronic money institution (EMI) rather than a bank, and it operates under slightly different regulations and expectations when it comes to fraud prevention. As an EMI, Wise is required to execute payment instructions promptly, and

liability for authorised payments generally rests with the payer, even if those payments were made as part of a scam. It's also common for Wise's customers to use their Wise accounts differently to the way they would their traditional high street bank – for example by crediting the account and making one-off larger transactions in quick succession.

Looking specifically at the payments Miss W made, I don't believe they ought to have appeared unusual or suspicious to Wise. The amounts involved were not notably high, and there's nothing to suggest the beneficiaries' accounts were flagged as high risk. In addition, the timing and pattern of the payments aren't typical of a scam, as they were spread over several weeks, with the values fluctuating as opposed to increasing. Whilst I know this doesn't make things any easier for Miss W to accept, I do think it was reasonable on this basis for Wise to process the payments without intervening or asking any further questions before doing so.

Finally, since Miss W didn't interact with Wise staff during the transactions, there was no opportunity for Wise to recognise or question whether the payments were linked to a scam.

While I appreciate how difficult this situation is for Miss W, I can't fairly conclude that Wise acted wrongly or failed in its responsibilities in this case, so I don't hold it responsible for what Miss W unfortunately lost.

#### Recovery of the funds

Wise says that no funds remained the recipients' accounts by the time Miss W reported the scam.

Funds obtained fraudulently, such as what's seen in this scam, are often withdrawn very quickly from the recipients' accounts, usually within hours. As Wise wasn't made aware of the scam until around four months after the final payment was made, in January 2024, recovery unfortunately wasn't an option, and there's nothing more Wise could've done about that.

I'm very sorry that Miss W 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 W's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 31 January 2025.

Sam Wade  
**Ombudsman**