

The complaint

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

F explains that in September 2023 she came across a job advert online for a remote, task-based role with a supermarket. Miss F was interested in earning a second income so she completed an application form and provided her contact details. Later that day, she was contacted on a popular messaging application by an individual (“the scammer”) claiming to represent the supermarket. Miss F says she was keen to secure a better future for her children and saw the opportunity as a practical way to generate additional income while working remotely. And she says that as she saw the opportunity on a genuine and well-known search engine, she had no reason to doubt the legitimacy of the job advertisement.

The scammer told Miss F that the job involved reviewing and rating items such as clothing, accessories, and jewellery. Miss F says she’d seen similar roles advertised on reputable websites before, so the opportunity seemed plausible. The scammer added Miss F to a group chat with several others who claimed to be colleagues in the same role, and they regularly discussed their tasks, creating a sense of security and reinforcing Miss F’s belief that this was a genuine job opportunity.

Miss F was told that to unlock tasks and earn income she would need to purchase cryptocurrency through a legitimate cryptocurrency platform and deposit it into another platform accessed via a link provided by the scammer. When Miss F clicked the link, the platform appeared to be branded in line with the supermarket website and included features such as a registration process, terms and conditions, and a visible account balance. This further convinced Miss F that the opportunity was genuine.

On instruction of the scammer Miss F deposited money through her Wise account. Over two days, she sent more than £19,000 to the cryptocurrency platform on the belief that the payments were necessary to access and complete tasks. She says the scammer warned her that if she didn’t continue to deposit funds, her account balance on the work platform would fall below zero, causing her to lose all her money, including her earnings.

Miss F noticed her account balance on the scam website would decrease if she failed to complete tasks within a set timeframe. She was told that depositing more money would unlock additional tasks, allowing her to prevent further losses. After depositing a total of £19,450, she attempted to withdraw her balance. But when she contacted the platform’s live

chat as instructed, she was told her balance had dropped due to delays in her deposits. She was then asked to deposit even more money and complete 40 additional tasks before she could withdraw her funds, and Miss F says it was at this point she realised she'd been scammed.

The scammer subsequently blocked her on the messaging app and removed her from the group chat.

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

Date	Amount (£)
23/09/2023	350
23/09/2023	1,000
23/09/2023	2,500
23/09/2023	900
23/09/2023	2,700
23/09/2023	2,000
23/09/2023	2,000
24/09/2023	2,500
24/09/2023	2,500
24/09/2023	3,000
Total	19,450

Miss F made a complaint to Wise on the basis that it failed to protect her from the scam. She says that Wise didn't provide effective or specific warnings about the risks of scams or cryptocurrency-related transactions. She says the only warning she received was generic in nature and similar to those she had seen during legitimate transactions. She feels that Wise should have questioned her about the purpose of the transactions, which would have revealed the scam and prevented her losses.

Miss F also pointed to the sophistication of the scam as a key reason for her vulnerability. She said the job seemed credible, with a clear and logical purpose of reviewing fashion items to provide market insights for the retailer. The website's professional appearance and her visible account balance further reinforced its legitimacy.

Wise didn't uphold the complaint as it said that it showed Miss F multiple scam warnings throughout the time she was making the payments, but she chose to proceed with making them regardless. It also said all of the recipients' accounts were held with Wise, and at the time the scam took place, it had completed all of the correct verification processes and it had no reason to believe the accounts were being operated by scammers.

Miss F remained unhappy so she referred the complaint to this service. She's seeking a refund of £19,450 from Wise as she maintains that it didn't adequately protect her from what she describes as blatantly fraudulent behaviour. Miss F says that if Wise had intervened or provided tailored warnings, she believes the scam would have been exposed, sparing her from the significant financial, emotional, and mental distress she is now experiencing.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that although he thought Wise should've done more to intervene by the time Miss F made the sixth payment, he thought an intervention was unlikely to be successful as the scammer had given Miss F a cover story and coached her on how to answer any questions or challenges raised by Wise.

As Miss F 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 F 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 F authorised these payments from leaving her account. It's accepted by all parties that Miss F 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 F'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 reviewed Miss F's transaction history and although her Wise account had been open for some time when the scam took place, it doesn't show a lot of activity, but there are some payments in the preceding six months, with the majority being sent to what appears to be Miss F's own account elsewhere. Most of the transactions are modest in value, with the majority not exceeding £350, with one of £2,000. The transactions are spaced out over several weeks and months and in April, May, June and August 2023 Miss F made a maximum of three payments each month.

Turning to the scam payments, the value and pattern of these payments differed significantly from the way Miss F's account had been used previously, so I think Wise ought to have had systems in place to detect this. By the time the payments were made, in September 2023, this type of scam was well-known in the industry, and I think Wise ought should've been monitoring its customers' accounts for the risks posed by scams such as this one, and to be able to fulfil its duty to protect them from the financial harm they faced as a result.

Having carefully considered the values and pattern of payments Miss F made, I agree with the investigator that Wise ought to have intervened further by the time Miss F made the sixth payment, by trying to understand more about the payments, and giving information and a warning, narrowed down to the specific type of scam Miss F could've been falling victim to. By that point Miss F had created a new payee four times in a single day, and the cumulative value of the payments was £9,450. This, plus the fact that Miss F's Wise account was receiving credits and then making payments which completely depleted the balance in rapid succession, are patterns that Wise ought to have been alive to.

Wise says that for every payment Miss F made it asked her for the purpose of it, and she was presented with a list of options to choose from, although it hasn't provided information on what options that list gave. But in any case, Miss F selected "Something else". She was then required to type in the purpose of the payment, and she typed in "buy", "buying goods", "buying", "buy goods", "buy something" and "buying something". She was then given two questions to answer: *"Do you feel rushed or pressured into moving money?"* and *"Has someone asked you to move money to a safe account?"* Alongside these questions it gave a generic warnings about scams.

I don't consider the warning that Wise gave to be a proportionate intervention, given the size and frequency of the payments Miss F made, and the fact they were significantly out of character when considered alongside her normal account activity. I'd have expected Wise to do more to understand the purpose behind the payments, possibly by asking a series of questions and gathering information to allow it to provide specific warnings, relevant to the information provided. So I've also gone on to consider whether an intervention of this nature would've uncovered the scam, and consequently prevented Miss F's losses.

I've reviewed the details of another of Miss F's complaints about another bank, related to the same scam. Whilst Miss F was attempting to pay the scammer that bank intervened and spoke to Miss F by phone. And the information I've seen in that complaint suggests that further intervention by Wise wouldn't have ultimately prevented Miss F's loss.

During the telephone conversation with the other bank Miss F told it she'd encountered multiple errors and warnings when attempting to make payments [to her Wise account]. These included scam alerts advising her of potential fraud risks. It's evident that the scammer had manipulated Miss F by downplaying these warnings, describing them as routine safety tips like those seen when sending money to a friend, as she continued to make the payments in any case.

I've carefully reviewed the chat transcripts between Miss F and the scammer and it's evident that Miss F was coached on how to respond to the warnings and advised her to provide specific payment purposes, such as "buying goods" or "something else," to bypass scrutiny. The scammer also guided her step-by-step through the process, ensuring she could continue making payments despite the warnings.

Miss F herself expressed scepticism about the opportunity early on, even questioning the scammer about whether this might be a scam before she made her second payment. She shared screenshots of the errors and warnings she received with the scammer, who reassured her and provided further instructions on how to proceed. Miss F also followed the scammer's instructions to misrepresent her payment purpose and avoid disclosing the true nature of the transactions, indicating she had already been influenced to dismiss any external challenges to the legitimacy of the scheme.

The scammer additionally told Miss F to keep the nature of her activities secret from others, including her bank, to avoid issues with taxation. The scammer told her to tell the bank she was repaying money to a friend in order to make sure the scam wasn't uncovered. In one instance, Miss F asked the scammer what she should say to the bank if questioned about a withdrawal, referring to the funds as "black money." This demonstrates that Miss F was not only coached on how to respond but actively sought guidance from the scammer to avoid raising suspicions.

Additionally, Miss F disregarded multiple warnings and errors during her transactions with the other bank because she was reassured by the scammer that these were normal. So even if Wise had provided additional tailored warnings or temporarily blocked payments, the scammer would likely have persuaded Miss F to use alternate methods to transfer funds. Miss F's reliance on the scammer for guidance indicates that she trusted their assurances over external advice or warnings.

With all of the above in mind, I'm persuaded that it's unlikely further questioning or warnings from Wise would've uncovered the scam or prevented Miss F from experiencing the loss she unfortunately did. The evidence I've seen suggests that Miss F, under the scammer's influence, wouldn't have provided truthful information if Wise had questioned her about the payments. Like the inaccurate payment purposes she provided, Miss F likely would have

followed the scammer's instructions to provide responses designed to alleviate any concerns raised by Wise.

In conclusion, although I maintain that Wise should've done more to effectively intervene from payment six onwards, the specific circumstances of Miss F's case indicate that her loss couldn't have been prevented by Wise's actions alone.

Recovery of the funds

Although Miss F reported the scam as soon as she realised it had taken place Wise has provided evidence that the funds were withdrawn very quickly after they were received in the recipients' accounts. So it wasn't able to recover any of Miss F's losses.

Whilst I understand this is disappointing, funds obtained fraudulently, as is the case here, are often withdrawn within hours, if not sooner. That's unfortunately what happened in this case, and there's nothing more I'd reasonably have expected Wise to do to prevent that.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 27 January 2025.

Sam Wade
Ombudsman