

## The complaint

Mr C complains that Wise Payments Limited won't refund money he lost when he fell victim to a job scam.

Mr C is represented by a firm I'll refer to as "E".

## What happened

The background of this complaint is well known to both parties so I'll only refer to the key events here.

In November 2023, Mr C was contacted via an instant messaging app by a woman claiming to work for a recruitment agency, offering him a remote-working job. She told Mr C that he could make money by positively rating hotels for a commission. She offered Mr C a first-hand demonstration and Mr C agreed to watch.

Mr C was told that the job would be to create data traffic and ensure that the hotels gained visibility online. He would need to submit reviews into the platform in exchange for a commission.

On 9 November, Mr C agreed to proceed and was sent a link by the scammer that took him to the firm's platform. Mr C created his own log in and was then told by the scammer to set up a Wise account, which he did successfully the same day.

Mr C then proceeded to complete tasks and after each task he received a small return, further increasing his belief the job was genuine. After completing the tasks, Mr C was given a number for a customer services team, who asked for his Wise account details so they could send him his commissions.

Mr C continued to complete tasks and was told that in order to earn more commissions he would need to pay fees (due to receiving 'commercial' tasks that provided greater commission). It was only when the fee rose to £13,000 he realised he was being scammed.

A list of payments made is shown below:

Date	Amount (€)
09/11/2023	26.00 received
10/11/2023	57.00
10/11/2023	67.00 received
11/11/2023	49.00
11/11/2023	26.00
12/11/2023	71.00
12/11/2023	176.00
12/11/2023	55.00
12/11/2023	598.00 received
13/11/2023	309.00

13/11/2023	567.00
13/11/2023	1,588.00
14/11/2023	3,960.00
14/11/2023	2,943.00

E complained to Wise on Mr C's behalf and said they failed to provide an effective, tailored warning when he was making the payments. They said Wise failed to question Mr C on the purpose of the payments, and they didn't ask why he was making such rapid, high value payments to new payees. Had they done so, the scam would've been uncovered, and Mr C's loss prevented. Instead, the only action they took in relation to one of the payments was to request a payslip from Mr C to verify the source of funds.

Wise responded and explained that they had intervened by showing Mr C warnings and asked about the purpose of the payments. They said Mr C told them the transfers were being made for investment purposes, and that he went through each scam warning, indicating the payee was trusted. Because of this, Wise allowed the payments to be made and didn't feel they needed to intervene any further.

Unhappy with Wise's response, E, on behalf of Mr C, brought the complaint to our service. Following this, as a gesture of goodwill, Wise offered Mr C £1,471.50 – which they said was 50% of the final payment. Mr C declined the offer and so our investigator looked into the complaint.

After considering everything, our investigator was of the opinion that the payments weren't large enough to have triggered Wise's fraud systems or need any intervention. He acknowledged that Wise had asked Mr C about the intended purpose of the payments and that he'd said they were for an investment, even though he was carrying out a job online.

Because of this, our investigator said Wise weren't given the opportunity to probe Mr C any further or advise him further about this type of scam. In relation to recovering the money, our investigator explained that the payments were made in November, but the scam was reported to Wise on 5 December. He said it was highly unlikely that Wise would have been able to recover any funds, because due to the nature of the scam, the money would most likely have been withdrawn immediately or within a short space of time after it was received.

Because of this, our investigator thought the offer made was fair. Mr C disagreed and so the complaint was passed to me for review.

Following my review, we went back to E (on behalf of Mr C) and Wise for some more information.

Wise confirmed that in relation to the payslip Mr C said they had asked for in relation to one of the fraudulent payments, this was actually asked for as part of a source of wealth review. In relation to the payments made, Wise confirmed that the recipients of all of the payments were Wise customers and that all accounts were deactivated the day after the transactions took place. They said this was based on the emerging crypto trading pattern, as payments for purchasing or trading cryptocurrencies are against their acceptable use policy. Wise also said that by the time they received the victim report, there were no remaining funds in any of the accounts.

In addition, Wise provided evidence showing what options Mr C would have been shown when making the payments, and what warnings would have been presented to Mr C before he was able to authorise the payments.

We asked E to provide some more information about the payments made and whether Mr C was provided with any employment contract. They confirmed the payments were peer to peer crypto transactions, and that no contract was received from the scammer before or during the time Mr C was carrying out the tasks.

Our investigator reviewed this information and issued an updated opinion. Overall he was still satisfied that the offer made was fair. He reiterated that warnings had been presented to Mr C at the time payments were made, and that while Mr C selected “making an investment”, there was an option to select “paying to earn money by working online”. Because Mr C selected the investment option, our investigator said Wise weren’t able to provide him with tailored warnings relevant to the type of scam he was falling victim to. In summary, our investigator wasn’t convinced that Wise should’ve done anything more to stop Mr C from making the payments.

E disagreed. They said the payments increased in value and were made to multiple new payees. They said the payment of €3,960.00 should have raised concern with Wise as it was a lot higher than the prior payments, and that Mr C didn’t recall any intervention on that payment, which they felt should have been suspended.

E also explained that while Mr C selected the investment option rather than earning online, this could have been an instruction from the scammer, or a genuine mistake, and that even though he selected the investment option, the payment was still high-risk meaning Wise should have intervened.

Because E didn’t agree, the complaint has been passed to me for review.

### **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 very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focussed on what I think is the heart of the matter here. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don’t doubt Mr C has been the victim of a scam here. He has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it doesn’t mean he is automatically entitled to a refund of the money he has lost. It would only be fair for me to tell Wise to reimburse Mr C for his loss if I thought they ought reasonably to have prevented all (or some of) the payments Mr C made, or if they hindered the recovery of the payments.

I’ve thought carefully about whether Wise treated Mr C fairly and reasonably in its dealings with him, both when he made the payments and when he reported the scam, or whether they should have done more. Having done so, I’ve decided to not uphold Mr C’s complaint. I know this will come as a disappointment to him and so I will explain below why I’ve reached the decision I have.

There’s no dispute that Mr C instructed Wise to make the payments, albeit under deception. So the starting position is that Wise should follow their customer’s instruction. Under the

relevant regulations – the Payment Services Regulations 2017 – that means he is responsible for the loss in the first instance.

However, taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Wise should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

In this case, I don't think the payments up to the €1,588 transaction were of a value whereby I consider Wise would've have sufficient reason to suspect Mr C might be at risk of financial harm from fraud. Nor were they made in rapid succession, which can be a potential indicator of fraud, but they were spread over several days. The value of the payments had however increased in value by the point of the two final payments. But due to them being peer to peer transactions, they wouldn't have been identifiable to Wise as being for crypto purposes.

That said, I think there was sufficient reason for Wise to suspect Mr C could be at risk of financial harm at this point. This is because Mr C had made a number of payments to several new payees that had incrementally increased in value. I therefore would've expected Wise to have carried out additional checks before processing these payments.

Wise has shown that they asked Mr C the purpose of the payments before processing them and he selected "making an investment". This was despite there being a more accurate option being available – "paying to earn money by working online". While Mr C may have selected an inaccurate payment purpose as a result of coaching from the scammer, I can't fairly hold Wise responsible for this. And while Wise should be alert to the possibility of coaching, I don't think they had enough reason to suspect that Mr C was providing inaccurate information here.

I therefore think it was reasonable for Wise to have provided scam warnings tailored to the payment purpose Mr C selected. But while these warnings weren't tailored to the true purpose of Mr C's payments, I think some of it was still relevant to his situation. For example, the warnings alerted Mr C that he could be the victim of a scam and highlighted the risks around someone reaching out unexpectedly, the investment sounding too good to be true, and the methods scammers use to gain their victims' trust. Sadly, while somewhat relevant to Mr C's situation as Mr C had been contacted unexpectedly and, they didn't resonate with him.

Although I sympathise with Mr C's situation, I think the steps Wise took were proportionate to the identifiable risk associated with the payments. And given the payment purpose he

selected, I wouldn't have expected them to have done anything more before processing the payments. In short, I don't consider a human intervention – whereby the surrounding circumstances of a payment can be established – was required here. I think Wise provided appropriate warnings to Mr C based on the identifiable risk as a result of the payment purpose he selected.

It follows that I don't consider Wise responsible for Mr C's loss. I am however aware that Wise have offered Mr C £1,471.50. Overall I think this is fair, and more than what I would have recommended, had no offer been made at all. I therefore won't be increasing this further.

### *Recovery*

I also need to consider whether Wise did enough after being advised of the scam, to try and recover the funds. Wise have shown that after each payment was made, each payee's account was closed. They also confirmed that by the time they received a victim report, there were no remaining funds in any of the accounts. Mr C reported the scam in December, several weeks after the payments were made, and so by this point, unfortunately, the chance of recovering any funds were very low.

It follows that I don't think Wise is responsible for the funds not being recoverable.

Overall, while I strongly empathise with Mr C and what he has been through, I don't think Wise is responsible for the losses he has suffered. So, while I know this will come as a disappointment to Mr C, I don't think Wise have acted unfairly by not refunding him in full, and I believe the offer of £1,471.50 is fair.

### **My final decision**

My final decision is that I think the offer Wise Payments Limited had put forward – to refund £1,471.50 – is fair. I therefore direct them to pay it to Mr C.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 April 2025.

Danielle Padden  
**Ombudsman**