

The complaint

Mr M complains that Wise Payments Limited (“Wise”) hasn’t protected him from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr M has explained that in November 2023 he made a number of payments totalling over £11,000 from his Wise account for what he thought was a legitimate job opportunity. Mr M subsequently realised he’d been scammed and got in touch with Wise. Ultimately, Wise didn’t reimburse Mr M’s lost funds, and Mr M referred his complaint about Wise to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for 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.

Having done so, I do not uphold this complaint.

I don’t doubt Mr M has been the victim of a scam here. He has my sympathy. Ultimately, however, Mr M has suffered his loss because of fraudsters, and this doesn’t automatically entitle him to a refund from Wise. It would only be fair for me to tell Wise to reimburse Mr M his loss (or part of it) if I thought Wise reasonably ought to have prevented the payments (or some of them) in the first place, or Wise unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mr M authorised the relevant payments. Wise would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr M is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Wise should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect Wise to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

With this in mind – and bearing in mind I understand this was a new Wise account Mr M had opened up to make the scam payments – I would only expect Wise, at the most, to have given Mr M written warnings that broadly covered general scam risks throughout the course of these payments, given who they were to, the amounts they were for, and spaced as they were. However, I’ve seen information from which I’m persuaded Wise did do this. What’s more, Wise appears to have asked Mr M specifically for the reasons for his payments. And

the information I've seen shows Mr M didn't answer these questions in a way that I'd expect Wise to have done more than it did.

In saying this, it's important to make clear I'm aware, of course, that Mr M did state that he was making one of his payments to earn money online. But he said this only for his £200 payment. And I'm not persuaded it would be fair, bearing in mind Mr M gave different reasons for the other payments, and this £200 payment was to a different beneficiary, to say Wise ought fairly and reasonably be held responsible for failing to prevent the payments just because of this. There is a balance and proportionality to be struck, such that I can't fairly say Wise unreasonably failed to prevent Mr M's payments in this particular case.

Unfortunately, I also don't think it's surprising Wise was unable to recover Mr M's funds from the recipient accounts when Mr M realised he'd been scammed. Funds are typically spent quickly from recipient accounts in situations like this, presumably to frustrate recovery, and the information I've seen persuades me these funds weren't reasonably going to be recoverable by this time.

I'm sorry Mr M was scammed and lost this money. But despite my natural sympathy, I can't fairly tell Wise to reimburse him where, for the reasons I've explained, I don't think it would be fair to hold Wise responsible for his losses.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 April 2025.

Neil Bridge
Ombudsman