

## The complaint

Mr D has complained that Wise Payments Limited (“Wise”) failed in its duty to protect him from 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.

In September 2023 Mr D sent five international payments from his Wise account to various individuals posing as employees of an alleged company offering Mr D a work opportunity – (“the scammers”). The payments totalled £13,704.02 which Mr D has requested Wise refund him, along with statutory interest.

Mr D says at the time he was contacted he was unemployed and had been looking for ways to boost his income. He was contacted by message from someone allegedly working for a legitimate recruitment agency, offering him the opportunity of a part-time remote working job where he’d be required to review hotels and provide feedback on them in return for commission. Mr D says this didn’t seem particularly unusual as he’d recently posted his CV online. He was given access to a “work platform” where he’d complete the reviews and track his earnings.

Mr D was added to a group chat including other people who were part of the alleged employment opportunity. He also says he checked online, but he didn’t find anything negative about the opportunity he’d been presented, and the website of the company looked professional.

Mr D explains that the payments he made to the scammers were an attempt to reach his target of completing 66 reviews per day, as well as to allow him to withdraw the profits he’d earned through working.

Mr D sent the following payments:

Date	Amount
26/09/2023	£4,639.94
26/09/2023	£5,468.89
26/09/2023	£2,144.19
26/09/2023	£1,450.00
26/09/2023	£1.00
<b>Total</b>	<b>£13,704.02</b>

Mr D says he realised he’d been scammed when he wasn’t able to pay for any more tasks and he was consequently unable to withdraw any of his profits. He says that when he reported the scam to Wise it closed his account.

Mr D made a complaint to Wise on the basis that it had failed to provide effective warnings that would've prevented him from experiencing the financial harm that he did. He says if he'd been warned that the employment opportunity was a scam, he'd have followed Wise's advice and not made the payments. He's also said that the pattern of activity was suspicious, as he made five transactions on the same day, to new payees, and Wise should've realised this.

Wise didn't uphold Mr D's complaint. In its final response it said that it verified that the receiving accounts were who Mr D expected them to be. It also relied heavily on its terms and conditions and the fact that it shouldn't be held liable for any losses that occur beyond its control, such as where a fraudulent transaction takes place. Mr D remained unhappy, so he referred the complaint to this service.

Our investigator asked Wise to send its business file five times before she considered the complaint. But as she didn't receive it she thought about everything she had, including Wise's final response letter which Mr D provided. The investigator didn't think Wise had acted fairly as she thought that by the time Mr D sent the second payment Wise should've intervened, as by then the total sent would've been over £10,000 on the same day. She also highlighted several other characteristics of the situation that were typical of a scam. She recommended that Wise should pay Mr D half of his losses from the second payment onwards, in recognition of its failings, but also keeping in mind that Mr D could've done more to prevent the scam.

Mr D accepted the investigator's opinion, but Wise didn't respond, so the case has been passed to me to issue 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, and as I haven't received a business file from Wise, I'm upholding Mr D's complaint, broadly for the same reasons as our investigator, which I've set out below.

- Mr D's account was opened two days before the payments were made, and then all five payments were made on the same day, shortly after the funds credited Mr D's account. Although Wise didn't have any account history for Mr D, this pattern and the values of the payments showed characteristics of a scam and should've triggered Wise to intervene at some point, regardless of what it knew about Mr D.
- I don't agree that the scenario was beyond Wise's control. By the time these payments were sent scams were well-known to all financial institutions, including e-money businesses such as Wise. Whilst Wise should make payments instructed by its customers promptly, that doesn't mean *immediately*, and it also doesn't mean it's not able to intervene before doing so.
- Wise isn't a bank, so it doesn't have to follow all of the same rules and regulations as one, but it does need to comply with the payment service regulations under which it operates. This includes having systems in place to look out for out-of-character or unusual transactions, or anything that might otherwise indicate its customers are at risk of fraud. I haven't seen any evidence that Wise did this or intervened in any of the payments to understand more about them or warned Mr D about the risks posed by scams.
- If Wise had intervened, I think it's likely the scam would've been uncovered and the losses from the second payment onwards may've been prevented. I haven't seen

anything to suggest that Mr D wouldn't have been truthful with Wise if it'd asked him further questions, and I think his answers relating to sending funds to complete a task-based job would've made Wise suspicious enough to block the payments or warn Mr D about the fact he was likely falling victim to a scam.

Mr D transferred the funds to his Wise account from accounts he held with other banks. I've asked those account providers for information on other interventions that took place. But I haven't been given anything that makes me think they should be held partly liable for Mr D's loss, or that Wise isn't responsible for what happened in this case.

### *Is Mr D responsible for any of his losses?*

I've also thought about whether Mr D did enough to satisfy himself that the job opportunity he was allegedly sending money to take part in was genuine and wouldn't result in him losing that money.

I accept that Mr D had recently posted his CV online as he'd been looking for work, but it's very unusual for a recruiter to contact a prospective candidate and offer them a job through a messaging app, without having ever spoken to them. Mr D also didn't receive any kind of paperwork or employment contract showing what he thought he'd been offered, or what he'd agreed to do in return. This, as well as having to pay to earn money in return, isn't a plausible scenario.

So although I think Wise ought to have done more to protect Mr D from financial harm, I also don't think Mr D did enough to protect himself.

For this reason, I agree with the investigator that liability for the losses from the second payment should be split equally between Wise and Mr D.

### **Putting things right**

To settle this complaint I require Wise to:

- Pay Mr D 50% of the total of the payments from the second\* one in the list above and;
- Pay 8% simple interest on each amount, from the date each payment left Mr D's account until the date of settlement\*\*.

\*All payments were sent on the same day, so I'm unsure which order they were sent in. But I've listed them in the same order as Mr D did when he raised his complaint.

\*\*If Wise considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one.

### **My final decision**

I uphold Mr D's complaint and require Wise Payments Limited to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 November 2024.

Sam Wade

**Ombudsman**