

## **The complaint**

Mr W complains that Wise Payments Limited didn't do enough to prevent the loss he suffered when he sent money to one of their customers as the result of a scam.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2021 Mr W made a series of payments as a result of what he believed at the time to be a legitimate investment. He sent payments of €22,880 on or around 10 September 2021, €52,800 on or around 23 September 2021 and €224,400 on or around 19 October 2021. All the payments were sent to the same account which was held with Wise.

On or around 19 October 2021 Wise closed the account in question and Mr W's final payment bounced back to him. Wise say that when they were informed that Mr W's payments had been made as the result of a scam, none of his funds remained to be returned. Mr W complained and is seeking reimbursement of his loss from Wise. Wise responded to the complaint and maintained their position, but they did offer £25 compensation for a delay in providing that response.

The matter was referred to our service and ultimately one of our Investigators didn't recommend it should be upheld. In summary she didn't think Wise had acted unfairly. Mr W disagreed and asked for an Ombudsman to review his complaint.

In January 2025, with a view to resolving the complaint informally, I shared my thoughts with both Mr W and Wise in an email. I explained why I wasn't minded to uphold the complaint and as my reasons added to those of our Investigator, I gave a further opportunity (including an extension) to provide further comments.

Wise didn't respond to my email. Mr W made further submissions which I'll address below.

## **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.

In line with what I've previously shared with both parties, there is no automatic right to a refund for Mr W from Wise in these circumstances. And after the final payment had 'bounced back' to Mr W, this didn't result in the scam coming to light. Mr W's own evidence showed that he went on to make a further six payments (to various different accounts) between late October and November 2021 as part of the same scam.

In light of the above nothing Wise did in relation to the opening or monitoring of the account would've impacted the loss Mr W suffered. The scammers clearly had access to numerous accounts. And even if one of the earlier payments had similarly bounced back, I've no

reason to think the scammers wouldn't have simply instructed him to pay other accounts they controlled instead.

Mr W says that it wasn't Wise who returned that payment to him, it was the scammers. The evidence from Wise doesn't support this and whilst I accept the scammers may have told him something else, Wise's evidence shows this payment was cancelled / returned at the time. In either case, I don't think this would make a material difference to the outcome of the complaint.

Mr W thinks that the approach taken in considering his complaint undermines the purpose of AML, KYC and fraud prevention regulations. I don't agree that is the case. For clarity, I'm not making a finding that there were failings by Wise in this regard, but even if there were, I'd only consider it fair and reasonable to make an award where those failures were causal to the losses suffered, which for the reasons given, isn't the case here.

Mr W also thinks Wise should've contacted him about what was happening with the recipient account. I can understand why he says that, but this isn't something that I think reasonably could be expected of Wise. Mr W wasn't a customer of Wise and I wouldn't have expected them to have tried to obtain his contact details through his bank and to contact him directly. And in any case, data protection laws still apply even where an account is alleged to have been used in connection with a scam.

Further to this, there wasn't anything so out of character, suspicious or indicative of potential fraud or misuse of the account about the arrival and spending of the initial two payments that did credit the account, such that I think Wise should have done more at that time. I appreciate Mr W has made some detailed points about Wise's Anti Money Laundering (AML) obligations. And I've taken these into account when thinking about my finding that I don't think there was any reason for Wise to have intervened in a way that would've impacted his loss. Similarly these two payments were also all gone from the account before Wise were on notice of a problem, so nothing they did or didn't do with regard to recovery would've made a difference at that point.

I'm sorry Mr W has been the victim of a cruel scam. But as I don't think his losses are something Wise are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint. Mr W has questioned what his next steps can be following having come to our service. If Mr W doesn't accept my final decision, it won't be legally binding. He will then be free to continue his dispute with Wise through other avenues, such as the courts should he choose to do so. If this is something Mr W is considering, I'd recommend that he seeks independent legal advice before incurring costs.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 March 2025.

Richard Annandale  
**Ombudsman**