

## The complaint

Mrs S complains that Wise Payments Limited won't refund money she lost when she was the victim of job a scam.

## What happened

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

Mrs S was looking for work and found a job advertised online. She's explained that to get commission for the work she did, she was asked to make several deposits into a newly opened Wise account. Mrs S made the following payments:

Date	Amount
13 November 2023	£30
13 November 2023	£50
13 November 2023	£50
13 November 2023	£70
14 November 2023	£100
14 November 2023	£500
<b>Total</b>	<b>£800</b>

On 15 November 2023 Mrs S attempted to make a further payment of £2,200 but this was flagged by Wise. The payment was then cancelled.

Mrs S received payments totalling £302 into her account as part of the scam. And so, her total loss is £498.

On 16 November 2023 Mrs S told Wise she'd been scammed. It looked into matters but said it couldn't refund the lost funds.

Mrs S complained to Wise. In short, it said it hadn't done anything wrong and it had been her responsibility to check the payments were legitimate.

Mrs S referred her complaint to the Financial Ombudsman. She wanted Wise to refund the lost funds.

One of our Investigators considered the complaint and initially upheld it. She didn't think Wise should've intervened in the payments given their size and lack of payment history. But because Wise had been unable to evidence its attempts to recover the funds once Mrs S alerted it to the scam, our Investigator said Wise should refund the £498 plus 8% interest.

Mrs S was happy with this outcome. But Wise didn't agree and provided information on the beneficiary accounts.

On considering Wise's evidence, our Investigator decided the complaint shouldn't be upheld because she'd seen evidence that no funds remained in the beneficiary accounts (which were also Wise accounts) at the point Mrs S reported the scam.

Mrs S doesn't agree and has asked for a final decision. She said Wise should refund her as she has been the victim of a scam. She was also concerned that Wise allowed the scammers to open accounts that were then used to defraud people.

### **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 should first explain that I've only considered the actions of Wise here as the sender of the funds (with Mrs S as the customer). I appreciate that Mrs S has now raised concerns about the checks Wise undertook when the accounts were set up by the payees who received the scam funds. But she will need to raise that with Wise as a separate complaint. And if she is unhappy with Wise's response, she can then refer that complaint to the Financial Ombudsman.

I'm sorry Mrs S has been the victim of a scam and I don't underestimate the impact this has had on her. But I must consider whether Wise is responsible for the loss she has suffered. And while I realise this isn't the outcome Mrs S is hoping for, for similar reasons as our Investigator, I don't think it is. I therefore don't think Wise has acted unfairly by not refunding Mrs S's loss. I'll explain why.

It isn't in dispute that Mrs S authorised the payments. And, under the Payment Services Regulations 2017 and the terms of her account, Wise are expected to process the payments and Mrs S is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mrs S to Wise (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were processed. But when considering this, I've kept in mind that Wise processes a high volume of transactions each day. And that there is a balance for Wise to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Mrs S's Wise account was newly opened and so there wasn't any historical spending to have allowed Wise to assess whether the scam payment transactions were unusual or out of character for Mrs S. I've therefore thought about whether the payments themselves, without any typical account usage available, were suspicious enough to have prompted Wise to consider Mrs S was at risk of financial harm from fraud and, on balance, I don't think they were. I'll explain why.

Mrs S made six payments towards the scam, and I appreciate this was significant sum of money to her; but individually (and collectively) they were of a low value in terms of financial risk. I also appreciate the payments were made in quick succession and increased in value – both of which can be indicative of a scam. But the payments were made to three different

payees and were interspersed with eight payments into Mrs S's account from the same payees. All this, in my opinion, makes the pattern of payments Mrs S made as part of the scam seem less suspicious.

It follows that I think it was reasonable for Wise to assume the payments were being made for legitimate purposes. And so, I wouldn't have expected Wise to have taken additional steps or carried out additional checks before processing the payments.

I've thought next whether, on being alerted to the scam, Wise could reasonably have done more to recover Mrs S's loss. But the problem here is that Wise has now provided us with evidence to show that the Wise accounts held by the three payees who received the funds were deactivated and emptied of all funds by 14 November 2023. And so, there was no reasonable prospect of Wise recovering the funds when Mrs S alerted it to the scam on 16 November 2023.

I have a great deal of sympathy for Mrs S and the loss she's suffered. But it would only be fair for me to direct Wise to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and so I'm not going to tell it to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision **before 31 May 2024**.

Anna Jackson  
**Ombudsman**