

The complaint

Mr W complains about the actions of Wise Payments Limited when he lost money to a scam.

Mr W is being represented by a claims management company but for ease I'll only refer to Mr W.

What happened

In September 2023 Mr W was contacted out of the blue via a messaging app by someone who said they worked for a well-known recruitment company. He was offered a job to work at home with a marketing company where Mr W would have to review movies so that he could earn commission.

Mr W was given access to a website and was given some commission, which he was able to withdraw, which reassured him of the legitimacy of the role. Mr W was told to fund his online account further so that he could earn a higher commission. After doing so, Mr W's balance on his online account decreased. So, he decided to further fund the account because he was worried about losing everything he had paid to the marketing company. After Mr W was asked to continue to pay more money, he realised he had been scammed.

In total Mr W made the following payments from his Wise account.

Date	Type of transaction	Amount
30 September 2023	Credit from Third Party company	£25 (CREDIT)
01 October 2023	Transfer to Third Party individual	£50
01 October 2023	Credit from Third Party individual	£101 (CREDIT)
02 October 2023	Transfer to Third Party individual	£50
02 October 2023	Credit from Third Party individual	£50 (CREDIT)
02 October 2023	Transfer to Third Party individual	£50
02 October 2023	Transfer to Third Party individual	£38
02 October 2023	Credit from Third Party individual	£143 (CREDIT)
03 October 2023	Transfer to Third Party individual	£100
03 October 2023	Transfer to Third Party individual	£115
03 October 2023	Transfer to Third Party individual	£75
03 October 2023	Credit from Third Party	£448 (CREDIT)

	individual	
04 October 2023	Transfer to Third Party individual	£100
04 October 2023	Transfer to Third Party individual	£252
04 October 2023	Transfer to Third Party individual	£588
04 October 2023	Transfer to Third Party individual	£1,266
04 October 2023	Transfer to Third Party individual	£3,836
04 October 2023	Transfer to Third Party individual	£2,000
04 October 2023	Transfer to Third Party individual	£2,140
04 October 2023	Transfer to Third Party individual	£2,111
05 October 2023	Transfer to Third Party individual	£2,000
	Total	£14,004

Mr W contacted Wise to make a claim, but Wise said it wasn't going to refund him. It said that it had provided Mr W scam warnings for up to seven of the payments he made but because Mr W had said the payments had been for friends and family they could only provide warnings about scams based upon the payment reasons. Unhappy with this response Mr W brought his complaint to this service.

Our investigator didn't think the complaint should be upheld. She said that Wise hadn't unreasonably allowed the payments made over the first few days of the scam to be sent and it provided reasonable interventions to five payments on 04 October 2023 based upon the reasons Mr W provided for them. The investigator listened to calls Mr W had with his other bank after it stopped one of the payments he made to Wise and when Mr W raised the scam. After listening to those calls, she was satisfied that if Wise had provided any further warnings, it wouldn't have made a difference here, because Mr W told his other bank he was sending money to Wise to save for a car and that he lied to both Wise and his other bank because he was desperate to get his money back.

Mr W disagreed and has asked for an Ombudsman's review. He said he thinks further intervention from Wise would've stopped the scam because if he had said he was transferring funds for a car to Wise this would've been of a concern to Wise due to the number of payments being made from the account. As a result, Wise would've been concerned about scammers coaching customers and when probing further would've uncovered the scam. Mr W added that he was vulnerable at the time due to him going through a divorce and other family issues.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr W has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It is common ground that Mr W authorised the scam payments of around £14,004. I accept that these were authorised payments even though Mr W was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr W is presumed liable for the loss in the first instance.

However, taking into account the law, 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 in order to help protect customers from the possibility of financial harm from fraud.

Wise's first obligation is to follow the instructions that Mr W provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Wise to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Wise to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Wise to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

The investigator felt that Wise's intervention on five of the payments on 04 October 2023 was reasonable and I agree. Here Mr W was asked why he was making the payments and he responded to say that the payment was being sent to a family member or friend – which matches the account reason that had been provided to Wise. As a result of this response Wise provided a scam warning about scammers creating fake profiles to trick people, create fake accounts on social media and that if you haven't met them in person, it's safest not to give the person any money. The warning added it's best to double check with the friend before sending the money.

Mr W had calls with his bank who he was sending money to from his Wise account. In one of the calls at the time of one of the payments Mr W told his bank he was sending money to Wise to save for a car. Mr W has argued that upon further questioning from Wise he may have given the same reason – to save for a car. And if he had done so Wise would've then been suspicious of the number of payments. But I don't find that very persuasive here. I think if Mr W was going to use the same reason as he did with his bank then he would've said he was saving for a car initially instead of saying he was sending money to friends and family.

I'm satisfied that Mr W's answers to his bank and Wise were intentional. That's because when Mr W spoke to his bank about the scam he told them he was desperate to get his money back at the time he was making the payments to the scammers. This persuades me that Mr W had – on balance – reached a point where he was more likely than not willing to say anything to get the payments to be sent to the scammers from his Wise account – which meant Wise was unable to provide the correct scam warning for the payments. So, even if Wise had gone further with its intervention (and to be clear I don't think it should have), I'm not satisfied any further intervention would've made a difference here.

I've considered whether Wise acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Wise did what it should have when Mr W raised the scam. But when it looked at the receiving accounts he had sent the money to it had already been removed.

I appreciate this will come as a disappointment to Mr W, and I'm sorry to hear that he has been the victim of a cruel scam. I do understand that he had gone through a divorce amongst other family matters, but I can't take those into consideration here as Wise weren't aware of these issues. As a result, I'm not persuaded that Wise can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not 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 18 October 2024.

Mark Dobson
Ombudsman