

The complaint

Mrs S has complained that Wise Payments Limited won't refund the money she lost after falling victim to a scam.

What happened

In late 2023, Mrs S fell victim to a cruel job scam. Scammers offered her a fake remote job. She was instructed to pay money to her fictional employers to clear negative balances and earn commission.

Over the course of several days, Mrs S sent around £4,500 to various payees via her Wise account, to purchase cryptocurrency peer-to-peer, which she then sent to the scammers. She wasn't able to withdraw her commission and realised she'd been scammed.

Mrs S reported the scam to Wise. They were able to recover the last payment, of around £1,700, but not the others. Wise didn't think they were liable for Mrs S's loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs S didn't agree, so the complaint's been passed to me to decide.

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 understand that Mrs S fell victim to a scam, and so she has my sympathy. I appreciate this can't have been an easy time for her, and I appreciate why she wants her money to be returned. It's worth keeping in mind that it's the scammers who are primarily responsible for what happened, and who really owe Mrs S her money back. But I can only look at what Wise are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Wise liable for Mrs S's loss. I'll explain why.

It's not in dispute that Mrs S authorised the payments involved. So although she didn't intend for the money to go to scammers, under the Payment Services Regulations she is liable for the loss in the first instance. And broadly speaking, Wise had an obligation to follow her instructions – the starting position in law is that account providers are expected to process payments which a customer authorises them to make.

Wise should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. I've thought carefully about whether Wise should have done more in Mrs S's case.

However, I don't think the payments involved would've looked so unusual or out of character that Wise needed to intervene. This was a new account, so there was no payment history to compare the activity to. While the total loss was substantial, the spending was not quite large enough or rapid enough at any point to have particularly stood out as being remarkable, not least for this type of account. As these were peer-to-peer transactions, I can't see that Wise would've reasonably known they were for buying crypto. And even if Wise had somehow known, I'd only have expected them to have done more at the point of the final payment, which was recovered in full anyway.

Next, I've considered what Wise did to try to recover Mrs S's money after she told Wise about the scam. Unfortunately, by the time Mrs S reported the scam, the scammers had already moved all the money on apart from the final payment. So there was nothing Wise could've recovered for Mrs S other than what they already did.

So while I'm very sorry to hear about what happened to Mrs S, I don't think Wise can fairly be held responsible for her loss. And so I can't fairly tell Wise to refund Mrs S's money in this case.

My final decision

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

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 3 February 2025.

Adam Charles
Ombudsman