

The complaint

Mrs A complains that Wise Payments Limited didn't do enough to protect her from the financial harm caused by an advance fee scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs A became the victim of an advance fee scam after receiving a message on WhatsApp from someone I'll refer to as "the scammer". The scammer told her about a job opportunity which would require her to complete reviews on products in return for a commission on each task.

He added her to a group chat with others claiming to be making a profit from the same role and explained that she would be required to pay for tasks using cryptocurrency which she would need to buy before sending it to an online wallet. He told her to open accounts with Wise and an "EMI" I'll refer to as "R", and between 6 October 2023 and 10 October 2023, she made fourteen faster payments to ten different individuals totalling £15,740.

Mrs A realised she'd been scammed when she was unable to withdraw her commission, but Wise didn't provide a satisfactory response to her complaint about the funds she'd lost from that account, so she complained to this service.

Our investigator said that Wise hadn't provided its case file, but based on the information he had, he didn't think the complaint should be upheld. He didn't think Wise needed to intervene in the earlier payments because they were low value. But he thought Wise should have been concerned when Mrs A started to make more frequent payments to the same beneficiary on 7 October 2023. However, based on the evidence of Mrs A's communications with the scammer and the interactions she had with R, he didn't think an intervention from Wise would have stopped the scam.

Responding to Mrs A's comment that she would have listened to advice from Wise if it had intervened, our investigator also commented that she continued to send payments to the scam from R until 14 October 2023, which showed she'd remained under the influence of the scammer beyond the point at which he thought Wise should have intervened, so it was likely she'd have provided a cover story, and Wise wouldn't have detected the scam.

Mrs A has asked for her complaint to be reviewed by Ombudsman arguing that she'd have listened to a warning from Wise if it had intervened on 10 October 2023 because she was facing difficulties with the withdrawals and losing trust in the scammer. She's explained that she believed the job opportunity was genuine and she continued to believe what she was told because there was no intervention from Wise. She further commented that it's not fair to rely on her communications with R as it is a different business.

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 Mrs A has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Mrs A 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Mrs A is presumed liable for the loss in the first instance.

There's not dispute that this was a scam, but although Mrs A didn't intend her money to go to scammers, she did authorise the disputed payments. Wise is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

Wise is an emoney/money remittance provider and isn't subject to all of the same rules, regulations and best practice that applied to banks and building societies. But it is subject to the FCA's Principles for Businesses and BCOBS 2 and owed a duty of care to protect its customers against the risk of fraud and scams so far as reasonably possible.

I've thought about whether Wise could have prevented the scam from occurring. Wise ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mrs A when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Wise to intervene with a view to protecting Mrs A from financial harm due to fraud.

In the absence of evidence from Wise about what it did, if anything, when Mrs A tried to make the payments, I've considered what ought to have happened based on the nature of the payments and the information that would have been available to Wise. According to Mrs A, she was buying cryptocurrency, likely from P2P sellers, but this wouldn't have been apparent to Wise, and as the account was newly created, there was no spending history to compare the payments with.

I don't think it would have needed to intervene in the first three payments because they were relatively low value and the cumulative total for the day only amounted to £1,990. However, on 7 October 2023, she made seven payments more new beneficiaries and even though the transactions weren't identifiably for cryptocurrency, I think Wise ought to have been concerned because she was paying significant amounts to multiple new beneficiaries from a newly created account.

In the circumstances, I think Wise should have contacted Mrs A and asked her some questions about the circumstances of the payments, but I don't think this would have uncovered the scam. Mrs A was questioned by R about the payments she was making from that account around the same time and on both occasions, she confirmed no one was assisting her to answer the questions or telling her to ignore R's warnings. She said the purpose of one transaction was to purchase perfume and for the other, she said she was paying back a family member or friend for something they'd purchased on her behalf.

Further, the messages she had with the scammer show he was coaching her about what to say if she was questioned about the payments, and the fact she was following this advice demonstrates that she trusted this advice to the extent that she was prepared to lie to R and ignore the warnings she was given. I'm satisfied that the evidence of Mrs A's interactions with R is good evidence of how she would likely have responded if Wise had asked similar questions, and therefore I'm satisfied that if Wise had intervened in the way I would expect, I don't think it would have detected the scam or been in the position to have provided a relevant warning.

Mrs A has argued that she would have responded to an effective intervention from Wise because she was having difficulty withdrawing her commission, but she went ahead with payments from R after it intervened on 14 October 2023, so I don't think an earlier warning from Wise would have had a different outcome. So, while I think Wise should have intervened on 7 October 2023, I don't think this would have prevented her loss.

I've considered whether there were any further opportunities to intervene and while I accept the payment amounts did increase, there were further new beneficiaries and she received £4,000 and £1,800 into the account before the final two payments, I think a pattern of payments to new beneficiaries had developed such that further intervention wasn't necessary. So, I don't think there were any further opportunities to stop the scam.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mrs A received the cryptocurrency she paid for.

Compensation

The main cause for the upset was the scammer who persuaded Mrs A to part with her funds. I'm sorry to hear Mrs A has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Wise is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've 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 Mrs A to accept or reject my decision before 24 June 2025.

Carolyn Bonnell
Ombudsman