

The complaint

Mr B complains that Wise Payments Limited won't refund the money he lost after falling victim to a scam.

Mr B is represented in this complaint by a solicitor, for simplicity I will refer to Mr B throughout this decision, even when referencing what his representatives have said on his behalf.

What happened

In October 2023, Mr B came across an advert on social media for an investment opportunity which appeared to be backed by a well-known business and media personality. Mr B followed a link to the investment platform and made an initial small investment of £250. He was then contacted by someone who claimed to work for the investment scheme and she, and others he spoke to, talked him through what he needed to do to make profits. Ultimately, Mr B was encouraged to open a Wise account and to move money to the investment scheme through that account. On 9 November 2023 he made a payment to a third party from his Wise account for £7,677 to fund his investment, while £54 of this was paid back to him, he was unable to withdraw any of his supposed profits from the scheme, and when he was asked to pay more to enable a withdrawal of his profits, he realised he had been scammed.

Mr B contacted Wise about the scam payment and it looked into what had happened, but it did not agree to refund any of his loss. It said it had carried out the payment as instructed and did not accept it had any liability for his loss.

Mr B wasn't happy with Wise's response, so he brought a complaint to our service. An investigator looked into Mr B's complaint, but they concluded that any proportionate intervention would have been unlikely to stop Mr B from making the payment, so they did not recommend that the complaint be upheld.

Mr B disagreed with the investigator's opinion, saying that the characteristics of the payment meant that Wise should have intervened by directly contacting Mr B, and had it done so he felt the scam would have been stopped.

As no agreement could be reached, this complaint has now been passed to me to review.

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 overall outcome as the investigator, for the following reasons:

- It isn't in dispute that Mr B authorised the transaction in question. He is therefore presumed liable for the loss in the first instance. However, taking longstanding

regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, Wise should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

- The payment Mr B made was for a significant amount, and to a new payee. But this was a new account – meaning there was no account history against which Wise could compare payments to see if they were unusual – and Wise is an Electronic Money Institution (rather than a bank or building society) and so would be more likely to see one-off payments for larger amounts to new payees.
- So, while I think the value of the payment meant Wise should have taken steps to identify the reason for the payment – and so provide an appropriate tailored warning based on that payment reason – I don't think that the circumstances here merited more direct or personal intervention from Wise.
- Mr B has told us he was being guided by the scammers and that when Wise provided a general scam warning the scammers told him to ignore it and to continue with the payment. With this in mind, I think it is more likely than not that, had he been asked for the reason for the payment, he would have continued to follow the scammers instructions, meaning that it is unlikely Wise would have been able to prevent him from going ahead with this payment.
- I'm not persuaded there were any prospects of Wise successfully recovering the funds, given that over a week passed between the scam payment and Mr B raising the scam with Wise. In my experience scam funds are generally moved on very quickly from the recipient account.

I'm sorry to disappoint Mr B as I know that he has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Wise would not have prevented Mr B from making this payment to the scam. It follows that I don't think Wise is liable for his loss and won't be asking it to refund any of his losses.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 13 March 2025.

Sophie Mitchell
Ombudsman