

The complaint

Mr D complains that Wise Payments Limited didn't do enough to protect him when he fell victim to a cryptocurrency investment scam.

What happened

Between 11 May 2023 and 2 November 2023, Mr D says he made payments to a scam with a company I'll refer to as 'C'. There is now an FCA warning published about C. Mr D says he sent nearly £35,000 out of his account during this time to purchase cryptocurrency, which was then lost to the scam.

Mr D complained to Wise about his losses, but it said it processed the payments in line with his instructions. Mr D came to our service, but our Investigator didn't uphold his complaint. She explained we hadn't seen any evidence that Mr D was involved in a scam, or that his payments were made due to a scam. She also said that even if Mr D had been scammed, she wouldn't have expected Wise to have stepped in on the payments.

Mr D asked for an ombudsman to review his complaint. I tried to mediate this case and explained to Mr D, via his representative, that I agreed we hadn't seen any evidence Mr D was involved in a scam with C. And I said that we also hadn't seen evidence that the funds now complained about went to *and* were lost to a scam, so I couldn't see any reason to uphold this complaint.

In response to this Mr D provided some screenshots of messages he says he received from a channel created by C in November 2023. He says this shows he was scammed by it and so Wise should've protected him. He asked me to reconsider the case.

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've considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice for firms when processing payments. In line with this, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Mr D says he's been the victim of a scam and that Wise ought to have intervened on the payments he's now disputing. I've considered the evidence available, but I can't still fairly conclude that Mr D has lost the disputed funds as the result of a scam with C.

Mr D has now provided screenshots which show messages from C on a group channel which was created on 12 November 2023. He says this is evidence he was scammed by C and made the payments due to this. But this channel and the messages shown are therefore all dated *after* the payments Mr D reported as a scam. And Mr D has confirmed again he holds no evidence from the time he made the payments.

Looking at the screenshots, there's also nothing in them that can be used to link any of the payments Mr D made between May 2023 and early November 2023 and this channel/C. Mr D has explained he never paid C directly, he paid other parties for cryptocurrency and sent this onto the scam. But he hasn't evidenced any link between the parties he paid and a scam with C. Or shown the cryptocurrency bought then being lost to this scam. No payment details are given by C in the messages we have, to enable us to connect this channel to the payments previously made. And given this and the channel's creation date - mid-November 2023 - I can't realistically see how the channel C created evidences a link between it and payments Mr D authorised to other merchants and people during the prior six months.

Our Investigator's assessment and my mediation both set out that our outcome was based on the fact we didn't hold the necessary evidence to link Mr D's payments to a loss from a scam. While I accept Mr D has sent in new screenshots showing he had access to a channel created by C, he has still not provided material evidence showing that he made the disputed payments as the result of this/a scam. So for the same reasons already given, I don't uphold his complaint, as there's no evidence that the disputed payments were made as the result of a scam.

Mr D's representative has set that Mr D should not be "punished" for not keeping the chats he had with C. But they also accept they are likely critical to the investigation and that I must make a fair and reasonable decision based on the evidence available. And in this case, there is very little evidence available that Mr D was scammed by C and no contemporaneous evidence that shows he sent the disputed payments as a result of that scam. So I can't conclude it would be fair or reasonable to consider holding Wise responsible for a scam loss that hasn't been shown.

My final decision

For the reasons set out above, I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 January 2025.

Amy Osborne
Ombudsman