

## The complaint

Mr B complains that Wise Payments Limited won't refund the money he lost when he was the victim of a scam.

## What happened

In October 2023, Mr B received a text message from someone who said they were from a recruitment agency and had a potential job for him. And as Mr B had been looking for some additional work, he replied and was then contacted by someone who said they worked for a data company. He was told the job involved helping merchants optimise their data and attract more customers for their products.

Mr B was given access to the company's platform, where he could see the tasks he could complete and the commission he had earned. And he was shown how to purchase cryptocurrency, which he would use to pay for some of the tasks he was to complete, and send it on to the platform. Mr B then made a number of payments from his Wise account to purchase cryptocurrency, which he then sent on to wallet details he was given for the data company.

I've set out the payments Mr B made from his Wise account below:

Date	Details	Amount
3 November 2023	To 1 <sup>st</sup> payee	£50
4 November 2023	To 2 <sup>nd</sup> payee	£109
4 November 2023	To 2 <sup>nd</sup> payee	£120
5 November 2023	To 3 <sup>rd</sup> payee	£600
5 November 2023	To 3 <sup>rd</sup> payee	£1,200
5 November 2023	To 3 <sup>rd</sup> payee	£2,610
5 November 2023	To 4 <sup>th</sup> payee	£4,446
6 November 2023	To 5 <sup>th</sup> payee	£6,850

Unfortunately, we now know the data company was a scam. The scam was uncovered after the company told Mr B he had to pay increasingly large amounts of money before he could complete the tasks he had been given. Mr B then realised he had been the victim of a scam and reported the payments he had made to Wise.

Wise investigated but said it had completed all the payments as directed and had no reason to believe the payments Mr B made weren't legitimate at the time. So it didn't refund any of the payments he had made. Mr B wasn't satisfied with Wise's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think we would have expected Wise to do anything further than it had done when Mr B made the payments, so didn't think it should have to refund the money he had lost. Mr B disagreed with our investigator, so the complaint has been passed to me.

## **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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

And Mr B accepts he made the payments here. So while I recognise he didn't intend for the money to go to scammers, he did authorise the payments. And so the starting position in law is that Wise was obliged to follow his instructions and make the payments. So Mr B isn't automatically entitled to a refund.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in November 2023 Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I'm satisfied Wise ought to have recognised that Mr B was at heightened risk of financial harm by at least the point he made the eighth payment here, for £6,850 on 6 November 2023. This payment was for a significant amount, and for an amount significantly larger than any other payment made out of Mr B's account. At this point, Mr B had also made a number of payments of steadily increasing amounts to new payees over the past few days – and this matches a pattern of payments often seen when customers are falling victim to a scam.

And I think a proportionate response to the risk I think Wise should have identified would have been for it to provide Mr B with a tailored warning covering the scam risk it had identified.

But Wise did intervene here, by asking Mr B to select the purpose of the payments from a list of options and then showing him a warning. Wise's records show Mr B selected that the purpose of the payments was 'making an investment' – despite the seemingly more appropriate option of 'paying to earn money by working online' being available and next to the option he selected on the list he was presented with.

Wise then asked Mr B whether someone had contacted him unexpectedly about the investment and showed him a warning which said:

*“Stop – this sounds like a scam*

*Scammers might call or message you with an opportunity, and can be very pushy.*

*It’s hard to get your money back once you send it. So check the company with your local regulator, or cancel this transfer.”*

And while this question and warning weren’t entirely relevant to the scam Mr B was falling victim to, I think it was reasonable for Wise to have identified this type of scam risk based on the information Mr B had given it about the payments. And so, even if this warning had gone into more detail about the potential risks and what he could do to avoid them – as I think it should have done, I don’t think it would have resonated with Mr B or impacted his decision to continue making the payments.

I appreciate Mr B has said he feels Wise should have intervened further and asked more questions about the payments before allowing them to go through. But while Mr B’s account with Wise had been open for just over two years, it had been dormant with no transactions on it until the day of the first payment Mr B made as a result of this scam. So Wise didn’t have much information about the typical activity on Mr B’s account to compare these payments to when assessing whether he was at heightened risk of financial harm. And I don’t think there was anything else about payments or the circumstances surrounding them that Wise was aware of that ought to have caused it increased concern. So I still don’t think it would be reasonable to have required Wise to intervene further than it did.

I appreciate that Mr B has been the victim of a cruel scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Wise’s responsibilities and, for the reasons I’ve set out above, I don’t think anything I would reasonably have expected Wise to have done here would have prevented the loss he suffered. And so I don’t think it would be fair to require Wise to refund the payments Mr B made here.

We also expect firms to take reasonable steps to try to recover any money their customers have lost as a result of a scam. But Wise has said none of the receiving accounts had funds remaining. And, from what I’ve seen, I don’t think anything I would reasonably have expected Wise to have done would have led to any of Mr B’s money being recovered.

## **My final decision**

For the reasons set out above, I don’t 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 28 March 2025.

Alan Millward  
**Ombudsman**