

The complaint

Ms S complains Wise Payments Limited (“Wise”) didn’t do enough to protect her when she fell victim to a scam.

What happened

Ms S has an account with Wise – which was opened in the course of this scam – and an account elsewhere. I’ll refer to the business who she has an account with elsewhere as “N” throughout the rest of this decision.

Ms S says that between August 2022 and January 2023 she transferred around £80,000 from her account with N to the account she was told to set up with Wise by a person who she says she believed was helping her invest in cryptocurrency. She says that she then bought cryptocurrency on a well-known cryptocurrency exchange and was tricked into sending the cryptocurrency she bought into wallets that weren’t, in fact, under her control. Ms S says she believed she was investing in a platform and making a profit at the time. Most of the payments from her Wise account to the cryptocurrency exchange were card payments, but there were direct transfers too.

In March 2023 Ms S contacted Wise and N – with the help of a representative – to say that she’d been scammed and to ask for help getting her money back. Ms S also complained that Wise and N hadn’t done enough to protect her when she fell victim to the scam. She complained about their responses to our service.

One of our investigators looked at both of Ms S’s complaint and recommended that each of the businesses refund 25% of her losses from 23 September 2022 onwards on the basis that Ms S should share responsibility. N agreed to do so, and Ms S’s representatives settled her complaint against N on that basis. Wise, on the other hand, didn’t reply. So, Ms S’s complaint was referred to an ombudsman for a decision and was 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.

Last month I issued a provisional decision saying that:

“In response to our investigator’s views on both of her complaints, Ms S’s representatives agreed that Ms S should share responsibility for 50% of the losses she says she’s incurred.”

Having done so, I then said:

“N has already refunded 25% of the losses Ms S says she’s incurred on the basis that Wise would be held liable for the remaining 25%.”

And that:

“Based on the limited information I’ve seen, and on the assumption that Ms S representatives can evidence the fact that Ms S has been scammed, sharing liability in this way would be consistent with our normal approach. I’m, therefore, minded to reach the same outcome as our investigator if Ms S’s representatives are able to provide evidence demonstrating that Ms S has fallen victim to an investment scam.”

I said that because Ms S’s representatives hadn’t sent us any evidence that Ms S had, in fact, fallen victim to a scam. I said:

“Before we consider whether or not a business ought to refund a customer who’s been the victim of a scam, it’s important to see evidence that the customer has been scammed and that, for example, it isn’t a case of a failed investment. In this case Ms S’s representatives have told us that Ms S was the victim of an investment scam, but they haven’t sent us any evidence to show how the scam unfolded, to evidence the scam or to show how Ms S discovered that she’d been scammed. In the absence of that evidence, I can’t say that Wise should be held liable for any of the losses Ms S says she’s made.”

Ms S’s representatives sent some additional evidence in response to my provisional decision, but that evidence didn’t back up what had been said in Ms S’s complaint form, nor did it evidence that a scam had taken place. Having emailed Ms S’s representatives to point this out, they then sent me further evidence in line with the type of evidence I’d said we need to see. Wise didn’t respond to my provisional decision.

Based on the additional evidence that Ms S’s representatives have now sent in, I’m satisfied that it’s fair Ms S should share responsibility here – there were lots of red flags – but equally that she’s been scammed. So I’m satisfied, given that Wise could and should have done more, that she should get a refund, but that a 50% deduction for contributory negligence is also fair.

Putting things right

Having considered everything again, and based on what I've said, I'm going to uphold this complaint and require Wise to refund 25% of Ms S's losses from 23 September 2022 onwards. In other words, the outcome our investigator recommended.

My final decision

My final decision is that I'm upholding this complaint and require Wise Payments Limited to refund 25% of the payments Ms S made from 23 September 2022 onwards together with 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 11 July 2024.

Nicolas Atkinson
Ombudsman