

The complaint

Mr W complains, via a representative, that Wise Payments Limited (“Wise”) won’t refund the money he lost to a fake job scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here.

In brief, Mr W fell victim to a fake job scam. I will call the scammer ‘B’. B told Mr W that he would be paid for completing a number of tasks, but he would have to send funds to B via transfer to third party current accounts to unlock these tasks.

In total, Mr W made 5 transfers to four different current account totalling over £4,000 between 16 December 2023 and 20 December 2023.

When Mr W did not receive his “earnings” from B, he realised he had been scammed. He complained to Wise about this matter as he believes that Wise should have prevented the payments being made. Wise did not uphold his complaint.

Our investigator also did not uphold this complaint. She thought that Wise intervened appropriately given the payment reasons that Mr W provided.

Mr W did not agree and therefore his complaint has been passed to me to issue a decision.

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.

It isn’t in dispute that Mr W has fallen victim to a scam here, nor that he authorised the disputed payments he made to B. The payments were requested by him using his legitimate security credentials provided by Wise, and the starting position is that Wise ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I’ve considered whether Wise should have done more to prevent Mr W from falling victim to the scam. As there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character for that account holder.

Given the size of the first 4 transactions, and given that the account was a new account with no account history to compare to. I don’t think that they were unusual enough compared to Mr W’s usual account activity to have prompted an intervention from Wise. I also don’t think that the pattern of payments was enough at that point to be indicative of a scam or to have made Wise think that something untoward may be occurring. So I don’t think that an intervention was merited during those transactions.

However, in relation to payment 5, this represented the fifth payment in 4 days to multiple new payees and the amount that was being sent each time was increasing. So I would've expected Wise to ask about that payment in particular and to have provided a warning based on the payment reason provided by Mr W. In this instance, Mr W said he was sending money to an account he owned, so therefore he was provided with a warning based on this reason (he was also provided with the same warning for the proceeding payments as well). I note that this warning was not specifically relevant to the scam that occurred. But I can't in this instance blame Wise for providing a warning based on Mr W saying that he was only sending money to another one of his own accounts. In the circumstances, I think Wise did enough by providing the warning it did.

I also can see from the chat that the scammer was guiding Mr W through the payment process. So had further questions been asked by Wise, and I don't think it needed to, I think that the scammer would have prompted Mr W to answer in a way to not raise any suspicions about the transactions.

I note Mr W's representatives' argument that, given that Mr W provided references to each payment that mentioned crypto currency, that Wise should have been aware that these payments were linked to crypto and it should have asked further questions. My understanding is that payment providers do not check the references for transactions and the reference is for the customer's information only. So I don't think the references that Mr W had assigned to the payments makes a difference as to whether Wise should've stop a payment.

So overall I think that Wise should have done more, but I do not think that this would have stopped the scam.

Finally, I note that Wise did shut one of the scammers' accounts during the scam. Specifically it shut the account to which the first payment was sent to. The payment in question was sent on 16 December 2023 and the scammers' account was shut on 18 December for breach of terms of service. I have considered whether this should have put Wise on notice that Mr W was being scammed or that the following payments were higher risk. But I am mindful that there was only four days between the start and the end of the scam and Mr W did not send funds to that account again. I also don't think there was sufficient indication that the payments after the first one were linked to a scam, and it was not enough time for Wise to have looked through the first scammers' account and potentially proactively contact all of the people who sent funds to that account before the scam ended. So overall I don't think that Wise could have uncovered or prevented this scam.

Recovery

I've also thought about whether Wise could have done more to attempt to recover the payments after Mr W reported the fraud. Wise is not a signatory of Contingent Reimbursement Model ("CRM"). I also don't think the funds could have been recovered via other means, given the delay between when the transactions were made and when the fraud was reported. My understanding is that Wise did attempt to recover the funds, but was only able to recover just over £120. I don't think Wise needed to do anything more than it did. So I don't think that the funds could have been recovered via other means.

I appreciate this will come as a disappointment to Mr W, and I'm sorry to hear he has been the victim a scam. However, I'm not persuaded that Wise can fairly or reasonably be held liable for the losses that he said he incurred in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

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

Charlie Newton
Ombudsman