

## **The complaint**

Miss D complains that Wise Payments Limited did not refund all the payments she lost to a scam.

## **What happened**

Miss D was contacted on a messaging app by a recruiter with a job opportunity. She accepted the job which was fully remote and would only take an hour or so out of her day. She would have to complete tasks that simulated purchasing items using credit on the job platform. When special tasks came up that cost more money, she would receive a higher commission but to fund these she would have to add her own funds to the job platform via cryptocurrency. Miss D made the following transfers on her Wise account for peer-to-peer crypto currency purchases:

- 24 November 2023 - £1,400
- 24 November 2023 - £755
- 27 November 2023 - £2,600
- 30 November 2023 - £4,500
- 30 November 2023 - £500

When Miss D was asked to put more and more money onto the platform but did not receive her commission, she realised she had been the victim of a scam. She raised a scam claim with Wise who felt Miss D had not carried out enough checks before sending the funds to the individuals. But they also felt they could have carried out further checks on the final two payments, so offered a refund of 50% of the last two payments as well as 8% simple interest from the date of the transactions to the date of settlement.

Miss D did not accept the offer and referred the complaint to our service. Our Investigator looked into it and felt the offer made by Wise was more than they would have recommended in the circumstances, as they did not think Wise needed to carry out further checks on any of the payments before processing them. And they agreed Miss D had contributed to the losses as it was unusual to expect to have to pay cryptocurrency in order to earn money for a job. So, they did not recommend Wise take any further action.

Miss D did not agree with the findings and felt a full offer should be made, including compensation. As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

Having reviewed the evidence provided, I'm satisfied Miss D has been the victim of a job scam and I'm sorry she's had to go through this experience. What I have to decide is if Wise took appropriate steps to protect Miss D's account from financial harm.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Miss D authorised the payments in question as she believed they were part of a legitimate job opportunity. So, while I recognise that she didn't intend the money to eventually go to scammers, the starting position in law is that Wise was obliged to follow her instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Wise did enough to try to keep Miss D's account safe.

I've reviewed Miss D's statements and having done so; I think the offer already made by Wise is fair in the circumstances. The transactions in question were not of such a high value that I think this alone should reasonably have triggered an intervention from Wise. And I note that as the payments were for peer-to-peer cryptocurrency purchases, they appeared as transfers to different payees with no clear link to each other. So, I think it would have been difficult for Wise to spot a pattern of fraud emerging. Though I can see the amounts of the transactions did increase over time, which can sometimes be an indication of financial harm.

Wise has said they feel their fraud systems should have been more robust for the final two payments and while I think the fraud risk posed by them is borderline, overall, I think the offer of redress is fair in the circumstances. Wise has only offered 50% of the refund as they think the liability should be split between themselves and Miss D. And on balance, I think this is fair. I'll explain why in more detail.

I've considered whether Miss D has acted as a reasonable person would to protect herself against the loss she suffered. The test is objective but needs to take account of the relevant circumstances. Miss D was contacted out of the blue with a job offer that she did not apply for or have to interview for, which offered relatively high rates of pay, and I think she could have seen this as unusual. And she was then asked to deposit cryptocurrency in order to carry on earning funds, which is not something a legitimate job requires. Overall, I think Miss D could have taken steps to protect herself from the scam so I do think liability should be split between herself and Wise.

Considering all of this, I think the offer already made by Wise is fair in the circumstances and I don't recommend they increase this. Wise should therefore pay Miss D £2,500 along with 8% simple interest from the date of the transactions to the date of settlement. It should be noted that by the time Miss D raised the scam claim with Wise, all of the funds had been removed from the beneficiary banks, so there was nothing further they could do to try and recover the funds.

**My final decision**

The offer already made by Wise Payments Limited is fair. I now direct Wise Payments Limited to pay Miss D the redress outlined above if it has not done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 16 August 2024.

Rebecca Norris  
**Ombudsman**