

The complaint

Mrs U complains Wise Payments Limited didn't do enough to protect her when she fell victim to a job scam.

What happened

Mrs U has an account with Wise Payments Limited which she opened in April 2023. She has an account elsewhere too – with a business who I'll refer to as "V" throughout the rest of this decision – which she's had for over 10 years.

Mrs U says she was looking for a flexible job in late 2023 – ideally a job she could do from home as she was already working part time – so as to be able to better support her family. She says she saw an advert on a well-known social media platform about the type of job she was looking for and expressed interest. Having done so, Mrs U says she was contacted by someone claiming to be a hiring manager who explained what the job involved and how she'd be able to earn commission. Mrs U says she was told the job involved performing tasks and that she'd sometimes need to top up her account in order to take on a task, and that some tasks might be more expensive than others but the commission on those were much higher. Mrs U says she was shown how to top up her account, and that this involved buying cryptocurrency which she then used to top up her account. Mrs U sent money from her account with V to her account with Wise to help fund these top ups and used her account with Wise to buy cryptocurrency that she then used to top up her account.

Mrs U says she thought the job was a genuine opportunity and initially she appeared to make money. She says that she then encountered several expensive tasks in a row meaning she ended up paying increasingly large amounts in order to complete tasks. Mrs U says she tried to withdraw the profits she'd been told she'd made and realised she'd been scammed when she was told that she'd have to pay more fees to do so.

Mrs U complained to Wise and to V saying that they hadn't done enough to protect her from the scam. Mrs U said that she'd sent £11,785 from her account with V to her account with Wise between 4 and 11 December 2023 and that V hadn't intervened. She said that she'd sent £14,288 from her account with Wise to cryptocurrency providers between 4 and 11 December 2023 and that Wise hadn't intervened.

Wise looked into Mrs U's complaint and said that it had followed her instructions and couldn't be held liable for what had happened after she'd successfully sent her money to the payees she had. Wise said that it wasn't able to refund Mrs U in the circumstances. Mrs U wasn't happy with Wise's response – or V's – and so complained to us.

One of our investigators looked into Mrs U's complaints and said that Wise had intervened in this case and that its intervention was a proportionate response. So, they didn't agree that Wise had done anything wrong and didn't recommend that Mrs U's complaint be upheld. Mrs U wasn't happy with our investigator's recommendation and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed on 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 this case, I'm satisfied that Mrs U made eight payments to eight different new beneficiaries between 4 and 11 December 2023 from her account with Wise. In total, she sent just over £14,000. The majority of those payments were funded from payments she made into her Wise account from her account with V. The first three payments Mrs U made were all for less than £1,000, so I wouldn't have expected Wise to have been concerned about them. The same is true of the fourth payment she made, which was for £3,000 on 8 December 2023. It wouldn't have been apparent to Wise that this payment was a payment to buy cryptocurrency. Had that been apparent, then I would have expected Wise to have done more at that stage. I do, however, agree with our investigator that by the time Mrs U made her fifth payment – which was for another £3,448 and on the same day – that Wise ought to have been concerned as by then the activity on Mrs U's account was unusual. That's because both payments Mrs U had made that day were to newly added beneficiaries meaning she'd sent almost £8,000 to five newly added beneficiaries in five days. I would have expected Wise to have questioned Mrs U about why she was making the payments she was to make sure she wasn't falling victim to a scam. And I can see that Wise did exactly that – starting off by asking Mrs U what the purpose of the payment was.

I'm satisfied that Mrs U said she was “sending money to friends and family” and that Wise gave Mrs U the type of warning we'd expect to see when a business believes their customer might be falling for an impersonation scam. In this case, I agree that this was a sensible and proportionate response. I'm satisfied that Mrs U chose this option despite being able to select that the payment was “paying to earn money by working online” which would have led to a more relevant warning. Mrs U has told us that she selected “sending money to friends and family” because she “was extremely pressured into making sure the funding will be in place to get my money back”. In cases like this we often see the scammers telling their victims not to explain to their banks why they're doing what they're doing – the scammer often gives what might be a plausible reason behind this. For example, some might say that banks don't like people investing in cryptocurrency because the banks don't pay much interest on savings and want to stop people withdrawing their money. In this case, I can see the scammer explained to Mrs U what she should tell Wise to make sure her payments went through. Unfortunately, this meant Wise didn't get an opportunity to prevent further losses in this case as Mrs U didn't answer its questions accurately.

Given what I've just said, I'm satisfied that Wise gave what was in the circumstances an appropriate – albeit ultimately unhelpful – warning in this case. In other words, a warning that related to impersonation scams. That warning didn't prevent this scam but, for the reasons I've given, I agree with our investigator that it wouldn't be fair to hold Wise liable in this case.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 31 October 2024.

Nicolas Atkinson
Ombudsman