

The complaint

Mr L is unhappy that Wise Payments Limited (Wise) won't refund payments he made as a result of a scam.

What happened

- Mr L fell victim to an impersonation scam. In February 2024, he received a call from someone pretending to be from HMRC, and they persuaded him that he owed money for incorrect tax payments. As a result, he made two bank transfers for £1,986.00 and £500 from his Wise account to an account controlled by fraudsters.
- Mr L contacted Wise on the same day to report the scam and to ask for its help getting the money back. He subsequently complained about the progress of Wise's investigation and how he'd not been refunded.
- Wise responded and didn't accept it was liable to refund Mr L. But it acknowledged delays in its investigation and paid him £75 to reflect this.
- Still unhappy, Mr L brought his complaint to us to investigate and asked for a final decision on the matter. In summary, he believes Wise's delays impacted his chances of getting his money back.

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 done so, I've reached the same outcome as our investigator for these reasons:

- The starting position in law is that Wise has a duty to make the payments Mr L tells it to. And that Mr L is responsible for payments he made.
- But, as supported by the terms of the account, that doesn't preclude Wise from making fraud checks before making a payment. And, taking into account regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- I've considered the circumstances of the disputed payments. While I know it was a lot for Mr L to lose, given the services Wise offer, I don't think the payments looked particularly significant in value. And given there were only two disputed payments, I don't find the frequency looked alarming either. I'm also mindful this was a new account that hadn't been used much. So Wise didn't have much information that might lead it to conclude the payments looked particularly unusual or suspicious for Mr L.

- I've also reflected on what Wise did when Mr L made the payments. Wise provided evidence to show it asked him about the purpose of them. When he selected '*Paying a bill*', he would've been shown a message, which said:

*Did you get an unexpected text or email asking for a Payment?
Scammers can pretend to be organisations you trust. Before paying, find the organisation's contact number on their website and check with them.*

- Given the overall circumstances of the payments (as I've described above), I'm satisfied this warning was a proportionate response to the risks associated with them. That means I think it was reasonable for Wise to make the payments without carrying out further checks.
- As well as whether Wise ought reasonably to have done more to prevent Mr L's losses, I've considered whether it ought to have done more to recover them. It's accepted that Wise should've contacted the firm that received Mr L's money much sooner when he reported the scam. But the receiving firm has provided evidence to show that everything but £1 had left the account within ten minutes of the second payment being received.
- Given how quickly the money moved, I'm satisfied that Wise's delays didn't meaningfully affect Mr L's chances of getting his money back. It follows that I think Wise's offer to pay £75 was a fair reflection of the impact its mistakes caused him.
- I do appreciate how disappointing this will be for Mr L, who has clearly fallen victim to a horrible scam. But for the reasons I've explained, I don't think his losses can be attributed to something Wise did wrong. So I don't uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 December 2024.

Emma Szkolar
Ombudsman