

The complaint

Mr V is unhappy Wise Payments Limited won't refund payments he sent as part of a scam.

What happened

The background to the complaint is well known to both parties so I won't repeat it in detail here. But, in summary, Mr V fell victim to a job scam and was persuaded to send £1,320 in November 2023 across three transactions. He opened the Wise account for the purposes of the employment opportunity, and sent the following amounts to the scammers:

Payment	Date and time	Transaction type	Amount
1	27 November 2023 2.00pm	Transfer to new beneficiary	£125
2	29 November 2023 11.45am	Transfer to second new beneficiary	£95
3	29 November 2023 1.11pm	Transfer to same beneficiary as payment 2	£1,100

The funds were supposedly to buy tasks, that he would complete in order to receive commission. Mr V says the scammers kept asking for more money, and eventually his cryptocurrency account was blocked – which is when he realised it was a scam. He alerted Wise to the fraud, but it declined to refund him. So, Mr V raised a complaint.

Wise responded to the complaint to say it had no reason to believe the transfers were not legitimate at the time, and reiterated that it couldn't cancel or reverse a completed transfer. Wise also believed it had done what it could to recover the funds, but they had unfortunately been sent out to bank accounts elsewhere (not under Wise's control) by the time Mr V flagged the fraud. The response added that Wise had verified the receiving accounts against the relevant requirements when they were opened, and had blocked those accounts once the scam was reported.

Mr V referred matters to our service for review, as he didn't believe Wise was doing enough to safeguard honest individuals, or that it wasn't possible to get his money back. One of our investigators reviewed everything and didn't think the complaint should be upheld. In his view, the payments were of relatively low value and weren't made in quick succession – so wouldn't have appeared concerning enough to warrant a fraud intervention. The investigator also didn't think Wise could have done more to recover the funds, as they were quickly moved outside of its control to external accounts.

Mr V didn't accept the investigator's view, so the complaint was passed to me for a final decision on the matter.

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'm not upholding the complaint, for the same reasons given by the investigator. I appreciate that will come as a great disappointment to Mr V, who has sadly lost money to a cruel and sophisticated scam. I have a great deal of sympathy for what he's been put through at the hands of the fraudsters. But, on balance, I can't fairly say Wise should be held responsible for the loss. That's because I don't consider Wise would have been sufficiently on notice that Mr S might have been falling victim to a scam, and I also don't think the funds could have been recovered once the fraud was reported. I've explained my decision below.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI), like Wise, 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 the Payment Services Regulations (PSR's). Mr V 'authorised' the transactions in question (he made them), albeit under the false belief they were for a legitimate job opportunity. So, Wise were under an obligation to process the payments – but that isn't the end of the story, as far as the EMI's responsibility goes.

While that's the starting position, I've also taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. That means I consider Wise should fairly and reasonably have been on the lookout for the possibility of Authorised Push Payment fraud at the time, and intervened if there were clear indications its customer might be at risk.

Wise has a difficult balance to strike in how it configures its systems to detect unusual activity indicative of a higher risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect Wise (or any business) to check each one. In situations where Wise does decide to carry out further checks, I would expect that intervention to be proportionate to the circumstances of the payment. The first question for me to decide is whether the disputed transactions ought to have looked concerning enough to have prompted fraud enquiries.

The account was newly opened when the disputed transactions were made, so there wasn't any prior account usage for Wise to use to understand what usual activity looked like. The first two payments were for relatively low amounts, and even the bigger third payment wasn't so concerningly large that it indicated a potential fraud concern. None of them drained the account completely. They were also spaced out, in terms of timings, and not escalating in size – so weren't forming an obvious fraud pattern. Wise advertises itself as a way to send money globally, so these international transfers to new payees were in line with the expected usage for the account too.

Overall, I don't think there were enough concerning factors evident that meant Wise ought to have been on notice Mr V was at risk of financial harm. So, I think it acted fairly by processing the payments in line with his instructions, without first intervening to carry out fraud checks. I also have seen any service issues, or mistakes in the way Wise handled the fraud claim, that would warrant a compensation award. I appreciate Mr V says he tried to cancel the last payment, but I've seen that it was too late to do so at that point as the transfer request had been processed. Wise also can't reverse completed transactions where

the money has already left the account.

I know Mr V believes Wise should have been able to get his money back, but I'm satisfied it likely couldn't have. Wise has shown me that the funds had already been sent on from the initial recipient accounts to an external account by the time the scam was reported – and so his money was no longer under Wise's control. Scammers typically move stolen funds on quickly, often through several accounts, in order to thwart recovery efforts. Different rules and regulations also apply abroad, which can make recovering international payments very challenging anyway. So, in this case, I don't think any further attempts at following the money (more than it did) would have likely yielded results. The recipient accounts weren't held with Wise's UK entity either – which means the actions of that firm aren't within our jurisdiction to review.

So, while I'm sorry to disappoint Mr V, and I recognise the huge impact the fraud will have had on him, I can't fairly say that Wise ought to have prevented the loss in this case. Therefore, I'm not directing it to refund the transactions.

My final decision

My final decision is I don't uphold Mr V's complaint about Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 10 April 2025.

Ryan Miles
Ombudsman