

## **The complaint**

Mr S complains that Wise Payments Limited hasn't refunded him after he fell victim to a scam.

## **What happened**

The background to this complaint is well known to all parties and so I'll only summarise the key events here.

Mr S found what he believed to be a legitimate job opportunity on a website in late August 2023. The job involved submitting reviews and performing tasks online, with commission to be paid on the number completed. Mr S didn't know at the time, but this had been set up by a scammer.

Mr S was given instructions on how to sign up and did so. He was then instructed that he'd need to create a crypto wallet to facilitate his work. He set one up. The scammers then told him he'd have to send crypto from that wallet to an account controlled by the scammers. This was on the pretence that he was funding an account which would enable him to carry out the tasks, which would in turn earn him commission.

Mr S made transactions from his Wise account, sending money to different individuals at the scammer's instruction. The payments out were mostly funded by transfers in from Mr S' current account held with a bank I'll call H. This started on 24 August 2023. The payments started out low in value but, over the course of three days, reached as high as £5,000. Eight payments were made in all, to six different payees. The total loss (not accounting for incoming funds) was £12,082.

On 29 August 2023 Mr S began to transfer funds from a current account held with another bank, which I'll call M. Money was sent to his crypto wallet, and from there on to the scammer.

He realised something was wrong when the scammer told him the account linked to his job had dropped to a negative balance of \$8,186.93 and that he'd have to credit the account in order to continue working and to have his commission paid. The scam was reported to Wise, it investigated what happened, but said it wouldn't refund Mr S.

Wise highlighted some of Mr S' normal account activity, which included sending sums of as much as £3,000 overseas. And it said that it had questioned Mr S as to the purpose of the payments he made toward the scam, in an effort to protect him. It said that Mr S stated the payment purpose as paying friends and family each time, despite there being an option for 'working to earn money online'. It said doing so meant it couldn't protect him as well as it might have, had the correct payment reason been chosen.

Wise has also stated that it reached out to Mr S a few days after payments had been made, to ask about his relationship with the payees. But he maintained they were friends and family. On that basis Wise said it didn't believe earlier or more rigorous intervention would have made a difference in terms of preventing the scam.

## **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.

I'm sorry to hear that Mr S has been the victim of a cruel scam. I don't underestimate the significant impact – emotionally and financially – this scam has had on him. But, having considered everything, I'm not upholding his complaint. I'll explain why.

The starting point at law is that Mr S is responsible for any payments made from his account which are properly authorised. This position is set out in the Payment Service Regulations (2017) and confirmed in his account terms and conditions. There's no dispute on the question of authorisation here. Mr S has confirmed he made the payments, albeit as part of a scam.

Wise ought fairly and reasonably to have systems in place to monitor accounts and transactions for signs of fraud and scams. And, where there's an identifiable risk of financial harm, it might be fair and reasonable for an apparently legitimate payment instruction to be stopped and questioned.

It is arguable that Wise ought to have intervened in the payments being made by Mr S, perhaps earlier and with a greater degree of questioning than took place. Although Mr S might have used his account for international payments and sent similar sums as those subject to this complaint, there had been a lot of new payees added in quick succession, with payment values escalating over time. These are common signs of a customer falling victim to a scam, and so could warrant the stopping of payments whilst questions are asked, with a view to preventing financial harm through fraud.

However, I'm not persuaded that intervention by Wise would have made a difference here. There is strong evidence to show that Mr S was being coached by the scammers at every step.

He was told to apply for a loan and did so, with H. When he applied, he didn't disclose the true purpose of the lending. Nor did he tell the bank the truth about why he was sending money out of his account there, on to one of his other accounts.

The scammers told Mr S he'd need to tell M that he was going to be dealing in cryptocurrency so it wouldn't stop his payments. He followed that instruction. And so there is a significant body of evidence to show that Mr S was being coached by the scammers and that he was following their instructions, seemingly without questioning them.

Whilst I would expect Wise to be alive to common scam types – including this one – it seems Mr S was prepared to withhold the truth from it and instead listen to the instructions of the scammer. It seems more likely than not that, had Wise pressed Mr S more firmly about what he was doing, he would have relayed information being fed to him by the scammer. In making that finding I've considered the message history between him and the scammer. It's clear he was in very frequent contact, with message being exchanged minute-by-minute, including through the setting up of the account and the making of the payments. The coaching was frequent, interactive, and live. I'm persuaded then that Mr S would have relayed any cover story given by the scammer, and would have pressed ahead with the payments regardless of what Wise said to him.

## **My final decision**

I don't uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 September 2024.

Ben Murray  
**Ombudsman**