

## **The complaint**

Ms H complains that Wise Payments Limited trading as Wise should've done more to prevent her falling victim to a job scam.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here in detail. The facts are not in dispute, so I'll focus on giving the reasons for my decision.

Ms H fell victim to a job scam where she believed she was earning commission by clicking to book tickets for films. She thought she'd be paid through a digital exchange and then could withdraw these funds into her bank account. Through Wise she made two payments in September 2023, and thought that this money was used to reset her work account when she encountered a negative balance. She discovered it was a scam when the person who introduced her stopped replying to her messages.

Wise closed Ms H's account when she was still involved in the scam. Ms H complained to Wise about the payments and asked it to refund her. She was also unhappy about the account closure. Wise didn't agree to refund the payments and said it closed her account in line with the terms and conditions, so Ms H came to our service. Our investigator didn't uphold her complaint.

## **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 agree with the conclusions reached by the investigator for these reasons:

- In broad terms, the starting position at law is that a business is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. Ms H acknowledges she authorised these payments.
- There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment. So I've considered if that's the case here.
- While I accept this was a large sum of money to Ms H, I don't consider her payments of £500 and £540 were of a value that should've concerned Wise. Wise deals with large numbers of high value payments daily and I don't think that either of these payments looked suspicious or concerning, considering the values and looking at Ms H's account activity in general.
- Ms H selected that she was paying 'friends and family' for both payments. So she wasn't honest about what she was doing – and this answer, in conjunction with the values, didn't indicate Ms H was at risk of financial harm. I'm aware there were other options that

Ms H could've selected that did better fit her situation and could've highlighted she was at risk, but she didn't choose these.

- Ms H was presented with a warning by Wise for each payment and had to complete a few steps for the payment to go through. I know Ms H saw this warning and read it, as she tells the scammer about it in their messages. It wasn't overly relevant, but should've indicated to Ms H she'd selected the wrong payment reason – and it discussed if she'd met the person she was paying – which she hadn't. But I note the scammer was at this time showing her what to click, so she was being coached with how to answer.
- Considering the above facts, I don't think Wise did anything wrong in presenting Ms H with a warning relevant to the payment purpose she selected and then, following her responses, processing the payments. I think this was proportionate in the circumstances.
- I can see that Wise did try and recover the funds later, but there weren't any funds remaining in the accounts to return to Ms H. And as our investigator explained, chargeback only applies to card payments, and these were transfers. So I'm not asking it to refund this money now.
- Coming to the account closure, Wise is entitled to decide who it wants to deal with as a customer. It can check the payments going in and out of an account. And if it decides to close a customer's account, it doesn't have to give a reason. But it must follow the process it has set out in the account's terms and conditions.
- For this account, the terms and conditions say Wise can suspend Ms H's account in certain situations. After Ms H had made her payments, Wise had concerns about the activity on her account and that she could be falling victim to a scam, so it suspended her account to prevent further losses, term 8.4(a) explains it can do this. And following its investigation, it terminated her account – which it's also entitled to do under the same terms and conditions.
- Ms H has said she wants Wise to re-open her account, but I'm not going to tell it to do this, as I don't think it did anything wrong when it closed the account.
- Ms H also complains that Wise only returned her the balance in her account, not her full losses after closing the account. But I have explained why I don't consider she is due the funds she sent back. And Wise refunded her promptly following its investigation – which was also done in a reasonable time.
- While I accept this will be disappointing to Ms H and she continues to go through a very difficult time, I'm not concluding that Wise has done anything wrong, or therefore needs to do anything to put things right.

### **My final decision**

For the reasons set out above, I don't uphold Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 22 August 2024.

Amy Osborne  
**Ombudsman**