

## The complaint

Miss S complains Wise Payments Limited didn't do enough to protect her when she fell victim to a job scam and that it won't refund the money she lost as a result.

## What happened

The background to this complaint is well-known to both parties and so I'll only refer to some key events here.

In September 2023, Miss S was tricked into sending money to what turned out to be a task based job scam. Miss S has explained she had been looking for remote work and was approached on a messaging app about a job opportunity. The job was described to Miss S as "*App store optimisation*", where she could earn commission by rating and reviewing various apps, to increase their ranking and number of downloads.

Having been guided to set up a work account, Miss S was advised she needed to deposit funds into an online platform to clear negative balances created by certain tasks. Later she was advised that to withdraw her commission she needed to pay a fee to upgrade her account. Miss S made these payments by purchasing crypto via a legitimate crypto exchange's peer-to-peer (P2P) marketplace. Miss S then transferred the crypto she had purchased to wallet addresses provided by the scammer. In total Miss S made the following payments from her Wise account:

Transaction	Date and time	Payment type and payee	Amount
1	30 September 2023	Transfer to Payee 1	£39.15
2	2 October 2023	Transfer to Payee 2	£17.64
3	2 October 2023	Transfer to Payee 3	£113.62
4	2 October 2023	Transfer to Payee 4	£85.89
5	2 October 2023	Transfer to Payee 5	£91.66
6	3 October 2023	Transfer to Payee 6	£251.40
7	3 October 2023	Transfer to Payee 6	£1,172.36
8	3 October 2023	Transfer to Payee 7	£2,351.71
9	3 October 2023	Transfer to Payee 8	£1,252.50
		<b>Total loss</b>	<b>£5,375.93</b>

Miss S said she realised she'd been scammed when she was unable to withdraw her commission, despite making the further payments she'd been told to make. Having reported the scam to the police, Miss S then contacted Wise for help recovering her losses. Wise said it could not help Miss S with the recovery of her funds as the transfers were already complete.

Unhappy with Wise's response, Miss S referred a complaint to the Financial Ombudsman, with the support of a professional representative ('C'). C stated that Wise ought to have

recognised Miss S was at risk of financial harm from fraud and provided her with scam warnings, which would have ultimately prevented Miss S' loss.

Our Investigator didn't uphold the complaint. While he accepted that Miss S had been the victim of a scam, given what Wise knew about the payments at the time, our Investigator didn't think it ought to have been unduly concerned about the risk of fraud, and so it wasn't necessary to carry any further checks before processing the payments.

C disagreed and asked for an Ombudsman's final decision. It said Wise ought to have recognised a significant deviation to Miss S' usual transaction behaviour, particularly as she had set up several new payees over four days.

The case has now been passed to me to decide.

### **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 conclusion as our Investigator and for largely the same reasons.

I'm sorry to learn Miss S has been the victim of a sophisticated scam, which caused her to lose money. I can appreciate why she wants to do all she can to recover the money she lost. But I can only direct Wise to refund her losses if it can fairly and reasonably be held responsible for them.

#### *Should Wise be held liable for Miss S' loss?*

In line with the Payment Services Regulations 2017 (PSRs), the starting position is that Miss S is liable for payments she authorises – and Wise would generally be liable for unauthorised payments taken from her account.

So, although Miss S didn't intend the money to go to the scammers, and was clearly under their instruction when making the payments, under the PSRs she is presumed liable for her loss in the first instance.

#### *Did Wise need to intervene before it processed the payments?*

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI"), such as Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in September 2023 that Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene; and
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

But taking all this into account, there is also a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, the starting point for me is to consider whether any of Miss S' payment instructions, either individually or collectively, were particularly unusual or suspicious to have required intervention from Wise.

Having considered Miss S' previous account activity, alongside the payments she made between 30 September and 3 October 2023, I don't think there was reason for Wise to intervene before processing her payment instructions.

Considering what Wise knew at the time, I don't think it should reasonably have recognised a link between Miss S' payments, given they were made to different beneficiaries, over a series of days and for varying sums.

I consider the first six transactions were of such low values that Wise would have had no reason to consider they indicated Miss S was at possible risk of financial harm. While the next three payments were for larger sums and were not completely in keeping with Miss S' day-to-day spending, I'm also not persuaded they were so significant or unusual that Wise ought to have recognised a risk that they related to a fraud or scam, such that it ought to have intervened. In reaching this view, I'm mindful that Miss S had previously moved £4,000 out of her account, so it was not entirely new for her to move money from her account in the sums that were involved in the scam. It's also not unusual for account holders to occasionally make payments that are higher than their previous, or day-to-day, spending.

Taking everything into account, I can't see that there was sufficiently concerning information about any of Miss S' payments that Wise ought to have reasonably intervened or provided a specific warning before processing the payment instructions. So, while I know this will be disappointing for Miss S, I don't find that Wise are responsible for her loss. It follows that I will not be asking it to take any further action.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 30 May 2025.

Lisa De Noronha  
**Ombudsman**