

## **The complaint**

Mr R, via a representative, complains that Wise Payments Limited trading as Wise (“Wise”) have failed to refund the money he lost as part of a fake job scam.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr R was contacted via a messaging service by a scammer that I will call C. C persuaded Mr R that they worked for a company that I will call B that would pay him for completing a series of tasks online. Periodically, while completing these tasks, he was asked to “top up” his account by paying B.

Mr R then made around 20 transactions totalling around £50,000 via card payment and faster payments to crypto exchanges and current accounts. My understanding is that the funds were then sent to B. Mr R also sent funds from at least three other current account providers to B as well.

When Mr R attempted to withdraw the “income” that he could see on B’s ‘platform’, he was told that he had to pay an additional fee to clear a negative balance which would allow withdrawals commensurate with the “income” he had earned. At this point Mr R realised that he had been scammed.

Mr R asked Wise to refund these payments, as he believes Wise should have done more to prevent him from being scammed in the first place. Wise did not agree with this.

One of our investigators looked into this matter and she thought that, given the answers Mr R gave during interactions with Wise and his other current account providers, any intervention from Wise would not have stopped the scam. She therefore did not uphold this complaint.

Mr R did not agree with this and therefore his complaint has been passed to me to issue a decision.

## **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 the following reasons.

It isn’t in dispute that Mr R authorised the disputed payments he made from his Wise account. The payments were requested by him using his legitimate security credentials provided by Wise, and the starting position is that Wise ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've considered whether Wise should have done more to prevent Mr R from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance it is clear Wise should have intervened more than it did and provided tailored warnings and, early on in the scam, I think a human intervention would have been appropriate as it is clear that the payments that Mr R were making were indicative of a scam.

That said, even if Wise had asked probing questions and provided tailored warnings, I don't think that this would have stopped the scam. I say this for a number of reasons.

It is clear from the conversation with two of his other account providers that he was keen to make the payments and was prepared to actively mislead them to make the payments go through. He also was not forthcoming about what he was intending to do with the funds. This is also shown by Mr R saying that the payments he was making with Wise was for friends and family and to pay for goods and services when there were more appropriate reasons he could have provided.

So, I think it likely had Wise intervened more and asked more probing questions, Mr R would have given answers designed to allay the suspicions of Wise. I also don't think that any warnings given by Wise would have stopped Mr R from carrying on with the payments he was making.

Over the course of the scam Mr R was provided with a number of scam warnings from the various account providers he was using, Mr R carried on with the payments regardless. You could argue that the warnings that Mr R was being provided did not relate to the scam that Mr R was actually falling for and that had he been given a specific job scam warning it may have stopped the scam. But the reason he was never provided with a job scam warning was because of the answers that Mr R was giving when asked why he was making the payments in question.

It may have been the case that had Wise asked Mr R probing questions his answers would have not been persuasive enough to have convinced Wise that Mr R was not being scammed. Had this happened the payments from Wise may have been stopped. That said what I don't think would have happened is that Wise would have discovered exactly what Mr R was doing as he at no point during any intervention with any of his account providers said that he was making the payment to release his earnings from an online job.

Given this, even if Wise had stopped the payments in question and given a general scam warning, I don't think this would have stopped the scam as Mr R was clearly under the spell of the scammer at the time the payments were made. This is demonstrated by him actively trying to find other ways of making the payments any time a method of payment was declined. In the chats on the scam group chat Mr R can be seen asking for different ideas of payment methods as he says (real company name removed in quote and I have replaced the names with X and Y) "X had blocked my transfer suspecting scam" "Y stopped suspecting scam" "so trying other methods now" So, I think that had Wise stopped the payments completely he would have sent payments via other means based on the recommendations of the scammer in the group chat.

Taking everything into consideration, I think that Wise should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped.

I've also thought about whether Wise could have done more to recover the funds after Mr R reported the fraud.

Wise are under no obligation to refund the money to Mr R under the Contingent Reimbursement Model (CRM) Code as they are not signatories of the code. I have also thought about whether Wise could have contacted the receiving banks to recover the funds. Wise has said that by the time the scam was reported the current accounts that were held at Wise had all been closed and the funds removed and in relation to a transfer sent to an external account provider it sent a message to that bank but did not receive a response. I think that Wise did enough in relation to this.

In relation to whether a chargeback could have been raised for the debit card payments to the crypto exchanges these payments were essentially to transfer funds from one account held by Mr R to his crypto accounts which is what happened, so I don't think there are grounds for a chargeback. I therefore, don't think Wise could have recovered the funds via other means.

I appreciate this will likely come as a disappointment to Mr R, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Wise can fairly or reasonably be held liable for his loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 22 October 2024.

Charlie Newton  
**Ombudsman**