

The complaint

Mr P says Wise Payments Limited (“Wise”) refuses to refund him for transactions on his account he says he didn’t authorise.

What happened

Mr P says on 15 March 2024 he received SMS messages to his phone with one-time passcodes (OTPs) from Wise to confirm payments he hadn’t tried to make. So, he froze his debit card. However, one of the attempted payments was successfully made, which he says he didn’t authorise. So, Mr P would like Wise to refund this.

Mr P is also unhappy that Wise did not carry out a chargeback request regarding the £2,500 disputed transaction. He is also not happy Wise has refused to issue him a new debit card.

Wise says it has considered the evidence and is holding Mr P responsible for the transaction in dispute. It says the correct OTPs were entered when two of the three transactions were attempted. And as this was sent to Mr P’s number, with no evidence of any compromise of his device, it must have been entered by Mr P.

Our investigator considered this complaint and decided not to uphold it. Mr P wasn’t happy with this outcome, so the complaint has been passed to me for a final 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.

Generally speaking, Wise is required to refund any unauthorised payments made from Mr P’s account. Those rules are set out in the Payment Service Regulations 2017. Mr P has said he didn’t carry out the transactions in dispute. Wise considered the evidence and decided that it is likely Mr P made these transactions himself. Having considered the evidence supplied by both parties, I don’t think the outcome reached by Wise is unreasonable, I’ll explain why.

Wise has provided evidence that the transactions in dispute were card transactions, so Mr P’s card details and address would’ve been needed to make them. Wise has also evidenced that three transactions were attempted around the same time and only one was successful. But for two of these, it sent out a OTP to Mr P’s phone. Mr P confirms receiving these codes but says he didn’t enter them anywhere.

However, I’ve seen that these OTPs were entered correctly for each of the payments. Mr P said he hasn’t lost his phone or received any suspicious calls or texts prior to this. He also said he hadn’t downloaded any new apps or suspicious software. Mr P says he thinks this has happened by his card being cloned, but that still doesn’t explain how someone else would’ve received or obtained the OTPs that were sent to Mr P’s device. Overall, I’ve not been provided any persuasive evidence to suggest someone else could’ve obtained the OTP’s sent to Mr P’s device. As these were used to authorise two other payments at the

time that were declined, the more likely explanation is that Mr P was responsible for these two transactions and the third transaction which was ultimately successful.

Wise has also provided evidence that Mr P logged into his Wise banking app on the same day as the disputed transactions and the OTPs were also sent to this same device that accessed his online account. And I've seen the IP address used to access the account on this day was not a new or unusual IP address. So, I still think it's likely Mr P made the transaction himself.

Mr P says he thinks Wise's security had been breached and that is how someone else has managed to obtain the OTP and make the disputed transactions. While I accept this is possible, I must make my decision based on what I think is more likely to have happened. I have no other evidence to support Mr P's theory and I've not seen that any other customer had been affected by any kind of security breach on Wise's side. So, this is not enough evidence for me to uphold this complaint.

Mr P also says he is unhappy that a chargeback was not completed as requested. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

As this is a voluntary scheme this is not something I can force Wise to do. And the dispute here is not between the merchant and Mr P. Mr P's dispute is against Wise as he feels it allowed transactions to go through without his consent. However, as I've outlined above, I think it is more likely Mr P authorised and consented to the transaction in dispute. Mr P says Wise have refused to allow him to have a new debit card, but I've not seen any evidence that Wise has refused this.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 October 2024.

Sienna Mahboobani
Ombudsman