

The complaint

Mr S complains that Wise Payments Limited (“Wise”) won’t refund the money he lost as a result of two scams.

He’s being supported by a representative. To keep things simple, I’ll refer to Mr S throughout this decision.

What happened

The background to this complaint is known to both parties, so I won’t repeat all the details here. In summary, Mr S says:

- For scam 1. In June 2022, he saw a social media advert for what he thought was a genuine investment opportunity with a company called “Cryptoportfolio.pro” which was seemingly endorsed by a well-known celebrity. He called the number provided on the advert and began communicating with someone he was led to believe was a ‘financial adviser’ (the scammer) who would be making trades on his behalf.
- An ID verification process was completed, adding to the legitimacy of the ‘investment’ and, on the scammer’s instructions, he opened accounts with Wise and Binance, and uploaded remote access software. A small initial payment was made to start, but he was then persuaded to ‘invest’ more heavily on the basis he’d otherwise be missing out on profits. He realised he’d been scammed when he was unable to withdraw any money and was instead repeatedly asked to pay more for that to happen.
- For scam 2. This came about after he realised he’d been scammed on scam 1. He carried out some research and came across a company called ‘Payback’ which he was led to believe would help him recover the money he’d lost to scam 1. But he realised he’d again been scammed when this company stopped responding to his emails.

I’ve listed below the payments I’ve considered as part of this complaint. The one payment in *italics* is the payment Mr S says was made to scam 2. To note, some of the payments to scam 1 were funded by a loan taken out with a separate business.

Date	Method	Payee	Amount
09-Aug-22	Card Payment	Binance	£2,500
10-Aug-22	Card Payment	Binance	£7,400
07-Sep-22	Card Payment	Binance	£6,000
07-Sep-22	Card Payment	Binance	£4,000
<i>08-Sep-22</i>	<i>Card Payment</i>	<i>Binance</i>	<i>£3,690</i>

The scam was reported to Wise. A complaint was later raised, referred to our Service, and reviewed by two Investigators. The second Investigator thought that while it’s arguable Wise ought to have done more to protect Mr S from financial harm, she wasn’t persuaded an intervention would have unravelled the scam. On further review, she added she wasn’t convinced the final payment had been made to a recovery scam (scam 2) as the evidence showed this was paid later, on 14 September 2022, from Mr S’s account with another bank.

As the matter couldn't be resolved informally, it's 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 conclusions as the second Investigator and for broadly the same reasons.

Authorisation

It's not in dispute Mr S was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Wise account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr S is presumed liable for his losses in the first instance.

Prevention and causation

There are, however, some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious or out of character.

In this case, I agree it's arguable the activity on the account ought to have triggered Wise's fraud prevention systems considering, for example, the payment values and the spending pattern in September 2022, as well as the information Wise had available about the recipient at the time. That said, it's also important to consider whether an appropriate intervention would have prevented Mr S's losses – and, on balance, I'm not persuaded it would have.

This is because, as noted by our Investigator, there's evidence to show Mr S was willing to give misleading answers if questioned about the nature of his payments. I can't overlook that when the originating bank intervened and asked about a payment Mr S wanted to make on 10 August 2022, he replied he was moving money he intended to spend while on holiday for six weeks. I'd also note Mr S said he wasn't contacted by third-party companies who'd asked him to move money. And that when the bank asked if anyone had told him how to answer its questions or to mislead it about the purpose of the payment, he said he hadn't spoken to anyone else. He later said no-one had advised him not to share information with the bank.

I realise Mr S may have been coached by the scammer on what to say for his payments to go through without issue and I acknowledge I can't know for certain how an intervention by Wise would have played out if it had stepped in. But given, as the evidence shows, Mr S wasn't upfront about what he was doing when questioned by his other bank, then I'm not convinced that in this case it's more likely than not he'd have been upfront about what was happening, if Wise had asked about his payments, such that the scam would necessarily have been unravelled. So, when thinking about causation, I'm not persuaded Wise's lack of intervention was the cause of Mr S's losses such that I can fairly hold it responsible for them. I also understand Mr S believes the final payment of £3,690 (as listed above) was made in connection with a recovery scam. But that's not supported by the evidence I've seen.

The statements for Mr S's account with his other bank and a call he had with that bank on 15 September 2022 both suggest the payment to the 'recovery' company was for a different amount and made from Mr S's account with that other bank on 14 September 2022. The messages he exchanged with the scammer (on scam 1) further show he was communicating with that scammer, about paying more money into that scam, when the final payment in the

list above was made. So, I'm not persuaded any payments sent from the Wise account were lost to anything other than scam 1. And for the reasons I've explained, I don't think it would be fair to hold Wise liable for the money that was lost to scam 1.

Recovery

All the disputed payments from Wise were made by card and the only option would have been to raise a claim under the chargeback scheme which looks to settle disputes, subject to rules set by the scheme provider. But it's unlikely such a claim would have succeeded. The scheme could only consider a dispute about the merchant that was paid. And, in this case, it's likely the merchant would have shown that products and services were provided as intended. I can't therefore fairly uphold this complaint on this basis.

I realise Mr S has lost a significant amount of money to a cruel scam and I'm mindful this has been a difficult time for him. But I don't consider I can fairly and reasonably hold it liable in circumstances where, as I've found here, it's unlikely it would have prevented his losses.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 August 2024.

Thomas Cardia
Ombudsman