

The complaint

Mr V complains Wise Payments Limited didn't do enough to protect him when he fell victim to a job scam.

What happened

Mr V has an account with Wise which he says the scammer recommended he open. He also has an account with another business who I'll refer to as "L" throughout the rest of this decision. He's been a customer of L since 2014.

Mr V says he was looking for work when he received a message from someone claiming to be from a recruitment company asking him if he'd be interested in a job where he'd earn commission and a daily income. Mr V says he expressed interest, and the following day was contacted by another woman who said she'd show him how to do the job amongst other things. Mr V says he checked online and saw the company offering the opportunity was legitimate and says that its website appeared to be professional and genuine.

Mr V says the woman he spoke to showed him how to make cryptocurrency purchases and how to top up his account on the platform on which he was meant to complete tasks. He says they also recommended he open an account with Wise as it was easier to buy cryptocurrency using them. And he says he was given training and onboarded. Mr V says the first payments he made were small and that he was able to withdraw his profits from the platform on day one and two. On day three, however, he says he started being asked to make increasingly large payments onto the platform in order to complete tasks – but equally he was told he'd earn much more commission. He says he realised he'd been scammed when he was told he'd need to make a payment of around £20,000 in order to complete his tasks for that day which he was told he needed to do in order to withdraw his earnings.

Mr V called L on 7 January 2023 to say he believed he'd been scammed. He says L told him that some of his more recent payments were showing as pending as far as his account with them was concerned, and that if he was able to get codes for the payments he'd received into his account with Wise then it might be possible to reverse the pending payments. Mr V says he contacted Wise and ultimately got the codes, but L wasn't able to get any of his payments back. Mr V complained to Wise – and to L – with the help of a representative saying that it should have done more to help.

Wise looked into Mr V's complaint and said that the payments he'd made were to an account in his own name and that it had, therefore, had no cause for concern. So, it couldn't offer a refund. Mr V was unhappy with Wise's response, so complained to us.

One of our investigators looked into Mr V's complaint and said that Wise should have had concerns by the time Mr V sent his tenth payment – which was a payment for £5,300. Our investigator said that had Wise intervened at that stage, the scam would have come to light and Mr V would have avoided further losses. Our investigator also said that Mr V – and L – should share responsibility too. So, they recommended that Wise refund 33% the last two payments Mr V made from his account with W – in other words, £5,300 and £3,240 – together with 8% simple interest from the date of payment to the date of settlement.

Mr V's representatives said that it was unfair to say that he'd been contributorily negligent as this was a sophisticated scam. So, they didn't agree that liability should be shared. Mr V's representatives also said that our investigator hadn't taken into account the fact that there had been delays and inefficiencies on Wise's part which meant he hadn't been able to stop payments that were pending at the time he reported the scam. Mr V's representatives, therefore, asked for this complaint to be referred to an ombudsman for a decision. Mr V's complaint was, as a result, passed on to me.

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.

Last month I issued a provisional decision. I did so because I'd issued a decision saying that I didn't think L needed to pay 33% of Mr V's losses. That had implications for this complaint if I agreed with our investigator that Wise didn't act fairly and that liability should be shared because it means, all other things being equal, that I'll be asked Wise to refund 50% of Mr V's preventable losses rather than 33%.

In my provisional decision I said:

"In this case, I'm satisfied that Mr V opened an account with Wise on 4 January 2023 and said that the purpose of the account was "transfers to friends and family". Shortly after doing so, he started sending payments to a number of different beneficiaries. In fact, in less than 48 hours he'd sent payments to eight different new beneficiaries. I'm also satisfied that Mr V said each payment was for "goods and services" and that a £1,800 payment he attempted to make on 6 January 2023 was stopped and he was given a "goods and services" related warning. Wise has said that Mr V ignored that warning and set up a new transfer for the same amount. The warning asked Mr V if he knew and trusted the company he was buying from. That payment was the ninth payment he'd made since opening his account.

The tenth payment Mr V made was for £5,300 and was also a payment to a new beneficiary. I agree with our investigator that by that stage Wise should have had concerns and should have contacted Mr V to find out why he was making so many payments to so many different beneficiaries. Based on the evidence I've seen, I have no reason to doubt that Mr V wouldn't have told Wise that the payments were for purchases of cryptocurrency and that he was using this cryptocurrency to top up an account on a platform so that he could complete tasks. In other words, I have no reason to doubt that Mr V wouldn't have told Wise that he was making these payments in order to complete tasks and earn money online. I'm satisfied that Wise would have recognised that this had all the hallmarks of a job scam and that it would, therefore, have warned Mr V that he was being scammed. I have no reason to doubt that Mr V would have ignored this warning. On that basis, I agree with our investigator that Wise missed an opportunity to prevent Mr V from making further losses from the tenth payment and onwards.

Our investigator has already set out the red flags – of which there were many – that this was a scam. I agree that there were a number of red flags. In the circumstances, I also agree that it's appropriate that liability be shared equally between Mr V and Wise in this case.

Based on what I've said, I agree with our investigator that Wise missed an opportunity to prevent Mr V from making further losses from his tenth payment and onwards. So, I'm minded to require Wise to refund 50% of the payments Mr V made from his tenth

payment and onwards together with 8% simple interest from the date of payment to the date of settlement.”

Both parties were invited to comment on my provisional decision. Both replied to say that they agreed with it.

Putting things right

Having reconsidered everything again and given that neither party disagreed with what I've said, I remain of the view that Wise should refund 50% of the payments Mr V made from his tenth payment and onwards together with 8% simple interest from the date of payment to the date of settlement. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Wise Payments Limited to refund 50% of the payments Mr V made from his tenth payment and onwards together with 8% simple interest from the date of payment to the date of settlement.

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

Nicolas Atkinson
Ombudsman