

The complaint

Miss T complains that Wise Payments Limited trading as Wise hasn't protected her from losing money to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Miss T has explained that in August 2023 she made a number of payments from her Wise account for what she thought was a legitimate job opportunity.

Miss T subsequently realised she'd been scammed and got in touch with Wise. Ultimately, Wise didn't reimburse Miss T's lost funds, and Miss T referred her complaint about Wise to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for 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've decided to not uphold Miss T's complaint for materially the same reasons as our Investigator.

I don't doubt Miss T has been the victim of a scam here. She has my sympathy. Ultimately, however, Miss T has suffered her loss because of fraudsters, and this doesn't automatically entitle her to a refund from Wise. It would only be fair for me to tell Wise to reimburse Miss T her loss (or part of it) if I thought Wise reasonably ought to have prevented the payments (or some of them) in the first place, or Wise unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I'm satisfied Miss T authorised the relevant payments. Wise would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Miss T is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice Wise should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect Wise to stop and check every payment instruction. There's a balance to be struck between identifying and proportionately intervening in payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

In light of this it would be unreasonable for me to conclude that Miss T's first five payments – which were made between 2 and 5 August 2023 and totalled just £983 – ought reasonably to have attracted Wise's attention in the context of proportionate monitoring of potential fraud concerns.

Miss T's remaining payments – payments six to nine – were then all made on 6 August 2023. These totalled £5,768. I can understand why Miss T's representative argues these payments ought to have attracted Wise's attention. However, it's important to note that whilst these payments were sent on the same day, they weren't all within a really short space of time and they were sent to different beneficiaries. For example, the first two payments on 6 August 2023 – for £940 and £1,828 – were sent within around half hour of each other, but they were sent to different beneficiaries. I also note that Wise has provided information showing it asked Miss T for the purpose of these two payments – and she said the £940 payment was for "friends and family" and the £1,828 payment was for "investment" and Wise showed Miss T scam warnings tailored to these answers Miss T provided.

Wise has also pointed towards Miss T's use of her account in the year prior to these payments, noting that she made transfers in November 2022 and February 2023 for £1,100 and £1,500 respectively, such that payments of this amount weren't out of character nor therefore enough to trigger its fraud systems as warranting human intervention. And overall, having reviewed Miss T's account history, and taking into account what I've said about how a balance needs to be struck between identifying payments that could potentially be fraudulent (and proportionately intervening in them), and minimising disruption to legitimate payments (allowing customers ready access to their funds), I don't think this is unreasonable. I'm aware that when telling Wise the purpose of her payments, Miss T would have had the option to select "pay to earn money by working online"; but unfortunately she didn't do so – but instead said "friends and family" and "investment". I don't think I could blame Wise for this, or fairly conclude that if Wise had asked Miss T for the purposes of her last two payments, that she likely would have said anything different to what she already had.

Furthermore, I don't think Wise would've known any of these payments on 6 August 2023 were for cryptocurrency because the details of the payments wouldn't have made that apparent to Wise. And payments eight and nine, whilst still made on 6 August 2023, weren't made until around seven hours later, after payments six and seven. This means that I'm not persuaded Wise's interventions were materially insufficient in this case – and I think that unfortunately given Miss T's interaction with the questions Wise asked, I can't fairly say Wise reasonably ought to have been able to prevent Miss T from making these payments. I think Wise's interventions were reasonable but that it couldn't warn Miss T of the nature of the scam she was falling victim to if she wasn't accurate about the reason for her payments. I wouldn't expect Wise to have escalated the intervention to human intervention quite yet in the circumstances of these payments. I therefore don't think I can fairly hold Wise responsible for these payments being made and lost to a scam.

I understand the scam payments were made to purchase cryptocurrency which was then sent onto and lost to the scammers. And in circumstances like this I couldn't reasonably expect Wise, when Miss T told it she'd been scammed, to have been able to recover the payments that were made for cryptocurrency that had already been sent on and lost to the fraudsters.

I'm sorry Miss T was scammed and lost this money. Despite my natural sympathy however, I can't fairly tell Wise to reimburse her in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them.

My final decision

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or

reject my decision before 17 April 2025.

Neil Bridge
Ombudsman