

The complaint

Mr H is unhappy that Wise Payments Limited (Wise) won't reimburse money he lost to a scam.

Mr H is represented by a third-party claims firm, but I will refer to Mr H here.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr H fell victim to a task-based job scam in which he was required to rate movies in exchange for commission. I'll refer to the company Mr H believed he was working for as "M".

Mr H was given access to an account with M on its platform, which he says appeared very professional. He was also added to a group chat with other "employees". Mr H has said after completing some tasks he was sent a credit of £20 from the profits he had made.

Mr H has said he then ran into problems with the tasks he needed to complete and was told he needed to fund his account. He was provided with details on where to send the money and was told he would receive commission for doing so. After two transfers to individuals Mr H was sent a payment of £100 by the scammers.

Mr H continued to run into the same problems with his tasks and sent further payments to individuals using the details provided by the scammer. Mr H eventually realised he'd been the victim of a scam after the scammer demanded he send further funds and provided him with incorrect information on why he couldn't withdraw his money. All the payments lost to the scam were sent between 3 December 2023 and 5 December 2023. Mr H has provided us with a breakdown of the payments he made and received as part of the scam which I have included below.

Payment number	Date	Amount
-	3 December 2023	£20 (credit received)
1	3 December 2023	£49.78
2	3 December 2023	£86
-	3 December 2023	£100 (credit received)
3	5 December 2023	£286
4	5 December 2023	£559
5	5 December 2023	£2,170
6	5 December 2023	£2,912

Mr H raised a complaint with Wise in February 2024. Wise didn't think it had done anything wrong by allowing the payments to go through. So, Mr H brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator didn't think the payments Mr H made were unusual and so he didn't feel Wise should have identified a scam risk. Mr H didn't agree. He said, in summary, the payments made from the account were unusual. They were also sent to new payees so this should have warranted intervention from Wise. He also explained that the warnings provided by Wise were not good enough. And that the payments were made after the Consumer Duty had come into force, which he said puts obligations on businesses to avoid foreseeable harm to customers.

Mr H's complaint has now been passed to me for review and 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.

I'm sorry Mr H has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr H's circumstances, I must consider whether Wise is responsible for the loss he has suffered. I know this won't be the outcome Mr H is hoping for but, for similar reasons as our Investigator, I don't think it is. And so, I don't think Wise has acted unfairly by not refunding the payments. I'll explain why.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Wise isn't a signatory of the CRM Code, these payments aren't covered under it. I've therefore considered whether Wise should reimburse Mr H under any of its other obligations.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Wise is expected to process payments and withdrawals that a customer authorises it to make. It isn't disputed that Mr H knowingly made the payments from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Wise is expected to process Mr H's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

I'm conscious that Payments 1 and 2 out of Mr H's account were relatively modest so I can't see any reason for Wise to have been particularly concerned about them. Payments of this size are unlikely to have appeared unusual to Wise.

As part of making Payments 3 and 4 Wise warned Mr H that it could be a scam and asked him to tell it what the transfers were for, so it could provide advice. Mr H selected 'friends and family' as the purpose on one of the payments and 'goods and services' for the other - which, naturally, generated scam warnings for risks associated with those types of payments and so it wasn't particularly relevant to Mr H's circumstances. This, however, was no fault of Wise as it wouldn't have been able to identify from the payees that the payments were for other purposes.

There were other options Mr H could have selected that would have more accurately described the purpose of the payments – such as 'paying to earn money by working online' and 'something else', with the latter option allowing Mr H to provide further details. Had Mr H selected either of these options it would have given Wise a better understanding of the

payments – thereby allowing it to provide him a more tailored scam warning, such as one associated with the risks of ‘job scams’, which was the type of scam he was falling for. It also could have helped Wise identify whether it ought to have taken additional steps to try and protect Mr H from a scam. Unfortunately, due to Mr H selecting inaccurate payment reasons, Wise were prevented from knowing the true purpose of the payments. And so, I don’t think Wise acted unreasonably by providing the scam warnings it did.

Mr H believes that Payments 5 and 6 should have raised concerns for Wise especially given the value of these payments. Collectively all the payments were for a relatively high amount, however they were individually quite low value and sent to several different payees. So, I don’t agree that the size of these payments should have indicated to Wise that Mr H was at risk of financial harm.

Mr H has advised that receiving credits into the account and sending out payments to new payees in a short amount of time was unusual activity. However, I don’t find that payments to new payees is, in itself, suspicious enough to mean that Wise should have considered that Mr H was at risk of financial harm and that it should have contacted him before he made the payments. The credits received into the account were also modest and would not have indicated that Mr H could be at risk of harm.

I’ve thought about whether Wise ought to have taken further steps beyond providing the warnings it did. When considering this, I’ve kept in mind that EMLs process high volumes of transactions each day. And that there is a balance for Wise to find between allowing customers to be able to use their accounts with ease and questioning transactions to confirm they’re legitimate. And as Mr H has suggested there was minimal account activity prior to the scam payments, Wise wouldn’t have been able to establish whether the payments were out of character based on his typical account usage. The scam payments were also made across a few days, so I don’t think a strong pattern of fraud emerged (where many payments are made to the same payee in quick succession), and this would have made it harder for Wise to recognise something was wrong. The payments also weren’t so unusual or suspicious whereby I would have expected Wise to have been concerned that Mr H was at significant risk of financial harm from fraud. Because of this, I wouldn’t have expected Wise to have carried out additional checks before processing them. I’m satisfied the online scam warnings Wise presented on some of the payments – based on the payment purposes Mr H provided – were appropriate and proportionate to the risk identified by Wise at the time.

I’ve also considered the comments Mr H has made regarding Wise’s obligations following the introduction of the Consumer Duty. However, given the information that was available to Wise at the time Mr H made these transactions, I don’t think the loss was foreseeable in these circumstances for the reasons I’ve explained above.

Taking all of this into consideration, I don’t think Wise ought to have done more before following the instructions Mr H gave.

I understand that Mr H was experiencing some difficult circumstances at the time he fell victim to the scam. Mr H has said he was on a reduced income which was worrying at the time. I’m sorry to learn about this. But from what he’s said, I don’t think that this directly contributed to him falling victim to the scam.

Mr H has also requested compensation in addition to a refund of the scam payments made. But I can’t see any reason which would suggest compensation is warranted in the circumstances of the complaint as I have not found anything to suggest Wise have acted incorrectly.

Could Wise have recovered Mr H’s funds?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Wise could have done more to recover the funds after Mr H reported the fraud.

Wise have advised that the scam payments were made to accounts it holds and that the payments left the accounts shortly after they were received. There was a two-month delay in Mr H reporting the scam and so by this point I find that, on balance, the funds would have been lost to the scammers.

I'm sorry to hear Mr H suffered a financial loss as a result of what happened. But it would only be fair for me to direct Wise to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and so I'm not going to tell it to do anything further.

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 H to accept or reject my decision before 7 July 2025.

Aleya Khanom
Ombudsman