

The complaint

Mr A complains about Wise Payments Limited trading as Wise not refunding several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr A complains that from September 2023 onwards he sent several payments to what he thought was a legitimate task-based job.

Payment 1	28 September 2023	£50
Payment 2	30 September 2023	£46
Payment 3	30 September 2023	£27.02
Payment 4	30 September 2023	£82.84
Payment 5	30 September 2023	£76.57
Payment 6	30 September 2023	£83.29
Payment 7	01 October 2023	£245.32
Payment 8	01 October 2023	£513.18
Payment 9	01 October 2023	£1,513.02
Payment 10	01 October 2023	£3,498.85
Payment 11	01 October 2023	£3,080.98
Payment 12	02 October 2023	£500
Payment 13	03 October 2023	£1,000
Payment 14	03 October 2023	£1,350
Payment 15	04 October 2023	£1,200
Payment 16	04 October 2023	£500

After Mr A made the last payment on 04 October 2023, he tried to make a withdrawal and couldn't. It was at this point he realised he had been scammed. So, he logged a complaint with Wise.

Wise investigated the complaint but didn't uphold it. So, Mr A brought his complaint to our service.

Our investigator looked into the complaint and didn't uphold it. Our investigator found Wise should have intervened on payment 10, but when it did and asked Mr A for the payment purpose, he wasn't accurate with the reason he selected.

As Mr A and his representative disagreed with the investigator's view, the complaint has been given 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I am sorry to learn of Mr A's loss of funds. However, it would only be fair for me to tell Wise to reimburse him for his loss (or a proportion of it) if: I thought Wise reasonably ought to have prevented all (or some of) the payments he made, or Wise hindered the recovery of the payments Mr A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Wise treated Mr A fairly and reasonably in its dealings with him, when he made the payments and when he reported his concerns to it, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr A's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

In broad terms, the starting position at law is that a bank such as Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice Wise should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Having considered the size of the payments made from the account, I agree with the investigator, that payment 10 had taken the amount sent that day to a value I think ought to have concerned Wise that Mr A could be at risk of financial harm from a fraud or scam.

Having thought about the value, where it was going to and any other identifiable risks Wise could have been aware of at the time the payment was made, I'm satisfied a proportionate intervention would have been an automated warning asking a series of questions to get a better understanding of the payment.

Here Wise did do that, they asked Mr A for the payment purpose and instead of choosing "paying to earn money online" which would have been an accurate description of what he was doing, Mr A chose "something else." Wise then went on to give Mr A a warning, but it wasn't relevant to the scam Mr A was falling victim to, as he hadn't selected the correct reason.

Mr A has given various and conflicting reasons for why he didn't select the correct payment purpose, but I'm satisfied it was through no fault of Wise's, and it couldn't have done anything more in the circumstances to protect Mr A and his money. Wise went on to ask for a payment purpose a further eleven times, each time Mr A selected the same inaccurate payment purpose.

Wise rely on consumers answering its questions accurately to then direct them to the most appropriate set of warnings. Here Mr A concealed the real reason for the payment, and this

hindered Wise's ability to warn him about the scam he was falling victim to.

Mr A's representative has said that the intervention should have been with an advisor from Wise. I've thought about this point carefully, but I don't agree. The payments never reached a value that I think required that level of intervention. The automated questions and warning were a proportionate response in the circumstances.

Recovery

Unfortunately, by the time Mr A raised a claim with Wise, the accounts where the money had been sent to had been cleared of funds. So, I'm satisfied Wise couldn't do anything more to recover Mr A's money.

Mr A feels that Wise should refund the money he lost due to the scam. I understand that this will have been frustrating for him. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Wise needs to pay Mr A any compensation. I realise this means Mr A is out of pocket and I'm sorry that he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 July 2025.

Tom Wagstaff
Ombudsman