

The complaint

Mr K complains that Wise Payments Limited (“Wise”) hasn’t protected him 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, Mr K has explained that between January 2022 and April 2023 he made payments totalling £2,753 to a cryptocurrency provider, money which he says he lost to a scam. Mr K subsequently reported to Wise that he’d been scammed. Ultimately, Wise didn’t reimburse Mr K’s lost funds, and Mr K referred his 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 Mr K’s complaint.

If Mr K has been the victim of a scam here he has my sympathy. Ultimately, however, Mr K would have suffered his loss because of fraudsters, and this wouldn’t and doesn’t automatically entitle him to a refund from Wise. It would only be fair for me to tell Wise to reimburse Mr K his 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 Mr K 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, Mr K is presumed liable for the loss in the first instance, in circumstances where he 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 payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

Here, having reviewed Mr K’s account and the payments he said he made as a result of fraud, I’m not persuaded Wise ought to have found any of the payments sufficiently suspicious such that it ought to have made further enquiries of Mr K before processing them. I accept that the payments were to a crypto provider, but that doesn’t mean payments should automatically be treated as sufficiently suspicious to warrant intervention. Here, the payments were individually and collectively, spaced as they were, not of the type that I could

reasonably expect Wise to have been concerned about them. This means I can't fairly say Wise unreasonably failed to prevent the payments, or that it should be held responsible for Mr K having made and lost them.

The only potential avenue to have recovered debit card payments like this, after they were made, would have been via the chargeback scheme. However, Mr K made the payments to the crypto exchange (and not directly to scammers). This means the merchant here, for chargeback purposes, would be the crypto exchange (and not the scammers). The crypto exchange would have legitimately provided the service intended. Any subsequent transfer of the cryptocurrency onto the scammers would not give rise to valid chargeback claims through Wise. So I don't think these particular payments were reasonably recoverable through Wise once they had been made.

I've also reviewed the service issues Mr K has mentioned he had with Wise but I haven't found sufficient evidence to persuade me Wise did anything materially wrong that would warrant compensation. So whilst I'm sorry if Mr K was scammed and lost this money, I can't fairly tell Wise to reimburse him 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 Mr K to accept or reject my decision before 17 April 2025.

Neil Bridge
Ombudsman