

The complaint

Mr A has complained that that Wise Payments Limited (“Wise”) didn’t protect him from becoming the victim of a scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr A has raised two scam-related complaints about two different businesses. Whilst I’ve kept in mind the facts of both cases for broader context, we’ve considered the two complaints separately, so in this decision I’ll only focus on the complaint about Wise.

Mr A explains that he was contacted by an individual (“the scammer”) posing to be from an employment agency, offering him a job opportunity. Mr A says that he didn’t find this unusual so he expressed an interest in the role and the scammer explained that the job involved rating mobile apps to make them more appealing to potential users. They explained that the salary came in two parts; a basic daily rate and a commission. Mr A says he verified that the company the scammer said they worked for was legitimate, but he didn’t receive an employment contract. But Mr A says the scammer was in regular contact and they regularly spoke about their personal lives and families, so he didn’t believe they’d take advantage of him.

Mr A explains that he was directed to open a Wise account as not all banks allowed customers to purchase cryptocurrency, which Mr A would need to send to the work platform as part of carrying out his role. He explains he was told he’d need to complete a set number of tasks per day and he was given access to a “work platform” to do the tasks.

Mr A made the following three payments from his Wise account to fund the employment:

Date	Amount
21/10/2023	£836
21/10/2023	£1,405
21/10/2023	£1,321
Total	£3,562

Mr A says he realised he’d fallen victim to the scam when he was asked to pay to withdraw his pay, but he was unable to as he didn’t have any money left and was therefore unable to access his earnings.

Mr A made a complaint to Wise as he didn’t think it had given him any warnings to protect him from this scam. Wise didn’t uphold the complaint as it said it had given Mr A a warning for one of the payments, but it didn’t think the payments were unusual enough for it to have done more than that. Mr A was unhappy with Wise’s response so he referred his complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained that she didn't think the payments Mr A made were unusual enough to warrant any further intervention by Wise, bearing in mind the type and values of them.

As Mr A didn't accept the investigator's opinion, the case has been passed to me to make 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 to disappoint Mr A but having considered everything I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr A authorised these payments from leaving his account. It's accepted by all parties that Mr A gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Mr A's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Wise didn't send our investigator its business file, although she asked repeatedly, so I've used the information it gave in its final response letter to consider what's fair in this case.

Wise says that it gave Mr A a scam warning when he made one of the payments – although it hasn't specified which one. It also asked Mr A the purpose for making the payment – to which he responded "buying goods or services". Following this Wise gave Mr A some information on how to protect himself from scams based on his answer, such as by ensuring he was paying directly through the website he was buying from and researching the company before paying them.

Whilst I note this warning, and the information Wise gave, wasn't particularly relevant to the scam Mr A fell victim to, I think that's because Mr A selected the incorrect reason for the payment.

Mr A has also explained that he made a payment from another of his accounts at a different bank, where he was again asked the payment reason, and he says he didn't give the correct reason. He says he did this because he was desperate to send the funds in order to receive his earnings and he didn't want the payment to be blocked by the bank. So although I don't know at which point the warning was shown, I think Mr A knew there was a risk involved with the payments he was making and I don't see any reason Mr A would've chosen a different reason, nor taken a different course of action, no matter at which point Wise intervened. I also don't think that it would be fair for me to hold Wise responsible for Mr A's loss, now that with hindsight, he knows that things didn't work out as he expected.

I've also kept in mind the values of the payments, and I think Wise's intervention of displaying a written warning was sufficient in this case.

I do recognise that Mr A is unlikely to agree with me but keeping in mind the way Wise is generally used, I don't think it would've appeared particularly suspicious to Wise for Mr A to make multiple payments in one day, especially as these payments aren't extremely large or remarkable. As Wise didn't have any account history for Mr A it didn't know what out of character looked like for him, so it had to make a judgement based on the payments alone, and I don't think they were sufficiently outstanding to rouse its suspicions.

Although I acknowledge that some of the features here could've looked suspicious to Wise, such as funds crediting the account and being sent out almost immediately, and the transactions all being performed on the same day, I don't think that's enough for me to say Wise ought to have done more than it did, and is responsible for Mr A's loss. As I've said, the payments weren't particularly large and Wise did show Mr A a warning for one of the payments, and he chose to proceed regardless.

In considering whether Wise acted fairly, I've also given thought to whether Mr A could've done more to prevent his loss.

I accept that Mr A didn't find it unusual for a recruiter to contact him out of the blue. But it's very unusual for a recruiter to contact a prospective candidate and offer them a job through a messaging app, without having spoken to them. I'm also not aware that Mr A received any kind of paperwork or employment contract showing what he thought he'd been offered, or what he'd agreed to do in return. This, as well as having to pay in cryptocurrency to earn money, isn't a plausible scenario and I haven't been given any further information on why Mr A thought this was a legitimate employment opportunity. So I don't think Mr A did enough to protect himself from financial harm.

Recovery of the funds

Wise says that it contacted the recipient banks as soon as Mr A made it aware of the scam. But it was told the funds no longer remained in the accounts, so it wasn't able to recover any of Mr A's money. Whilst it's unfortunate, there's nothing more I'd expect Wise to have done here.

I'm very sorry that Mr A has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Wise responsible for that.

My final decision

I do not uphold Mr A's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 September 2024.

Sam Wade
Ombudsman