

The complaint

Ms G complains Wise Payments Limited (“Wise”) didn’t do enough to protect her when she fell victim to a scam.

What happened

Ms G said she read an article on social media involving the promotion of cryptocurrency by celebrities. Ms G said she clicked a link which directed her to an investment firm, that we now know to be a scam, Ms G said she began by investing £250, funded from another banking provider, before investing via Wise. She told us she saw her funds increase and when funds began to drop, she was encouraged to invest further but refused.

Ms G said she was later told her investment had gone down in value, and she owed money to the company. She said another scammer from the supposed investment company got in touch who said he could help clear her debt for a fee which she refused to pay. Ms G said he eventually discounted the fee and she paid. She said the scammer began to try to sell her a different package with the company and made various threats. Ms G said at this point she spoke with relatives and realised it was a scam.

These are the payments Ms G made to the scam from her account via a legitimate cryptocurrency exchange:

Payment	Date	Type of transaction	Amount (including fees)
1	20 November 2023	Card payment	£4,000
2	22 November 2023	Card payment	£3,200
3	23 November 2023	Card payment	£9,600
4	30 November 2023	Card payment	£2,393.45
5	20 December 2023	Card payment	£3,600
6	10 January 2024	Card payment	£761.90

Ms G complained to Wise, and her complaint wasn’t upheld. Unhappy with Wise’s response, Ms G raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. They said while they thought Wise could have done more and intervened on payment 2, they didn’t think it would have stopped Ms G from making the payment or those that followed. This is because the Investigator found that C hadn’t answered questions put to her by her other banking provider honestly or accurately - which prevented the scam being uncovered.

Ms G didn’t agree. In summary, her representative said:

- A timely intervention from Wise could have provided Ms G a moment to reconsider and prevented the loss. And concluding Wise’s intervention wouldn’t have made a difference is speculative.
- Wise had a duty under FCA guidelines to take stronger steps to protect Ms G from fraud.

As an agreement could not be reached, the complaint has been passed to me for a final 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 that Ms G has been the victim of a scam. I realise she's lost a significant sum of money and I don't underestimate the impact this has had on her. And so, I'd like to reassure her that I've read and considered everything she's said in support of her complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Ms G but having done so, I've reached the same outcome as our Investigator and for similar reasons. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Ms G authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But as a matter of good industry practice, Wise should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions (EMIs) should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Wise acted fairly and reasonably in its dealings with Ms G when she made the payments, or whether it should have done more than it did. In doing so I've considered what Wise knew about the payments at the time it received Ms G's payment instructions.

Our Investigator said Wise ought to have been concerned by payment 2 and it should have contacted Ms G before processing it. Having considered what Wise knew about payment 1 at the time it received Ms G's instruction for the payment, there's an argument to say Wise ought to have been concerned by this point. I say this because of the value of the payment and the destination, that being a known cryptocurrency provider.

Wise has told us it intervened on payment 1 and presented a written warning to Ms G – and so, it seems it did have some concerns. The warning it presented says the customer could be falling victim to a scam, notes it's hard to get your money back once it's sent and that if the customer is being pressured to make the payment or receiving investment advice it could be a scam. Having considered the warning, I don't believe it was proportionate to the risk payment 1 presented.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances and find Wise ought to have asked Ms G a series of questions in order to identify the scam she was potentially falling victim to. I think if Wise took those

steps, it would, on balance, have identified the most likely scam Ms G could be falling victim to was a cryptocurrency investment scam. I would then expect Wise to have presented Ms G with a tailored written warning that was specifically about the risk of cryptocurrency scams.

I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams. The warning Wise ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investment scams.

I recognise that a warning of that kind could not have covered off all scenarios. But I think it would have been a proportionate way for Wise to minimise the risk of financial harm to Ms G by covering the key features of scams affecting many customers but not imposing a level of friction disproportionate to the risk the payment presented.

I can't be certain what would have happened if Wise had intervened in this way, so I need to make a decision on the balance of probabilities of what would most likely have happened if it had. Having thought carefully about this, I don't think it's likely to have made a difference here. I'll explain why.

Wise told us it believes Ms G opened her account with it for the purpose of the scam and I'm minded to agree. We have evidence from a high street bank that Ms G holds an account with and made earlier payments to the scam from. This evidence shows Ms G had become frustrated with the level of friction applied to the payments she was making towards the scam, and I believe on balance this prompted her to open her account with Wise.

The high street bank provided a call recording from 12 November 2023, just over a week before Ms G made payment 1. Ms G calls the bank due to the difficulties she's had making payments to a cryptocurrency provider and because her banking app has been blocked. In this call the bank discusses her recent account activity including a payment to another EMI and the payments she's making to the cryptocurrency provider and the circumstances around them. The bank is clear its asking questions to help prevent her falling victim to fraud and that Ms G should be open and honest with it.

In summary, Ms G says she's had difficulty making payments to a cryptocurrency provider from her bank and so opened an account with an EMI, other than Wise, in order to move funds for cryptocurrency purposes. Ms G confirms it's for an investment that her friends and family have done and is adamant the investment is legitimate. The bank discusses the use of third parties/brokers and Ms G says no one has convinced her to invest and that she's not taking financial advice. We know this isn't the case as she was investing via a third-party investment company.

Given a human intervention from another bank didn't resonate with Ms G and prevent her making further payments to the scam, I'm not persuaded that a tailored written warning about cryptocurrency investment scams, would have positively impacted her and prevented her making payment 1, or those that followed. I believe at the time payment 1 was made she was under the spell of the scammer to such a degree that she was determined to make payments towards the scam. I say this because Ms G was clear during the call I've mentioned above that she was having trouble making payments to a cryptocurrency provider and as a result had opened an account elsewhere in order to facilitate the payments. We know she also opened her account with Wise during the scam period and I'm satisfied, on balance, this too was to avoid the friction she'd received from her high street bank. I'm persuaded this shows she was determined to continue to make payments towards the scam.

Irrespective of whether Wise carried out additional checks before processing the first or second payment, I'm not persuaded it would have prevented Ms G from making the

payment(s). And as I find a proportionate intervention from Wise wouldn't have prevented Ms G's loss, it wouldn't be reasonable for me to hold Wise responsible for it.

I'm sorry to disappoint Ms G, 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 refund Ms G's money or pay any compensation. I realise this means Ms G is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've thought about whether there's anything else Wise could have done to help Ms G — including if it took the steps it should have once it was aware that the payments were the result of fraud.

As the transactions were debit card payments, the only option of recovery was via chargeback. But given the payments were made to legitimate cryptocurrency providers, I don't consider they would have had any prospect of success given there's no dispute the cryptocurrency was provided to Ms G. And so, I don't think Wise could've recovered Ms G's loss.

My final decision

My final decision is that I do not uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 15 May 2025.

Charlotte Mulvihill
Ombudsman