

The complaint

Miss G complains that Wise Payments Limited won't refund her the money she lost after she fell victim to an Authorised Push Payment (APP) scam.

What happened

The background to this complaint is well known to all parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

In or around December 2023, Miss G was looking to earn some extra income and was looking for a position that would enable her to ideally work from home, doing a data entry type role.

She searched online and, after providing her details, was contacted about what she believed to be a legitimate job opportunity. Miss G exchanged messages with, who she thought was, a representative of the company – discussing the role and training. The job entailed completing online reviews ('tasks') of 'apps', with payment/commission being paid based on the number of reviews completed. But unknown to her at the time Miss G was dealing with fraudsters.

Miss G followed the fraudsters instructions of how to sign up, which included setting up cryptocurrency wallet accounts. Miss G was told this was needed so that she could fund an account that would enable her to carry out the tasks, which would then earn her commission. From the deposits she made to her own cryptocurrency wallet, Miss G would then send money to crypto accounts the fraudsters controlled.

Believing everything to be genuine, Miss G initially made payments from an account she held with another payment provider. But after making some initial payments the fraudster encouraged her to open an account with Wise, as they said her other provider would restrict her payments.

Miss G opened a Wise account, as instructed, and made the following payments, totalling £2,350, which ultimately ended up in accounts the fraudsters controlled;

15 December 2023	£850 (transfer)
20 December 2023	£1,500 (card payment)

Miss G realised something was wrong and that she'd been scammed when she was unable to withdraw her money and was then told that she needed to make further deposits to pay for 'personal tax'.

Miss G reported the matter to Wise. It investigated Miss G's complaint and issued its final response on 16 May 2024 not upholding it. In summary, it said that while it was sincerely sorry that Miss G had fallen victim to a scam, it didn't think it had any reason to believe the transfers were not legitimate at the time they were made.

Wise added that it had questioned Miss G as to the purpose of the payments she made toward the scam, in an effort to protect her. It said that Miss G stated the payments purpose as paying for 'goods and services', despite there being an option for 'working to earn money online'. It said doing so meant it couldn't have protected her by giving an appropriate warning.

On being notified of the scam, Wise made attempts to recover the money from the beneficiary accounts (the accounts to which the payments had been sent), but it was only able to recover £0.53.

Unhappy with Wise's response, Miss G brought her complaint to this service. One of our Investigator's looked into things, but didn't think the complaint should be upheld. In summary, this was because he didn't think the payments would have given Wise cause for concern that Miss G was at risk of financial harm. Our Investigator also didn't think Wise missed an opportunity to recover any more of the money that Miss G had sent.

Through her representatives, Miss G didn't agree with our Investigator's view. As agreement couldn't be reached, the complaint has now 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.

Having carefully considered everything I'm not upholding Miss G's complaint.

In broad terms, the starting position at law is that a bank, payment service provider or electronic money institution is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Wise) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams. And I have taken that into account when looking into what is fair and reasonable in this case.

I've considered whether there was anything about the circumstances surrounding the payments that could have put Wise on notice that they were being made as part of a scam. And I don't think there was.

I say that, as although this was a new account that, in and of itself, isn't enough to say that any payments then made into or out of the account, should be treated as suspicious. And the payments, whilst not insignificant, were not what I would consider as unusually high in value. With this in mind, I think the action that Wise did take was proportionate and I wouldn't have expected it to do anymore.

Finally, I've considered Wise's actions once Miss G had notified it of the scam. Unfortunately, by that time, the majority of the money had already moved on as is common in these types of scams. In respect of the card payment Miss G made, I don't think there was a realistic prospect of a chargeback being successful, as the payments were sent to a legitimate merchant who provided the service. So overall, I don't think Wise has missed an opportunity to recover more than it did.

Miss G has my considerable sympathies. She's found herself in an unenviable situation where she has lost money to a fraudster. But overall, for reasons explained above, I don't find that Wise could have prevented the loss or is liable in any way. So it isn't required to reimburse her.

My final decision

My final decision is that I don't uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 19 November 2024.

Stephen Wise
Ombudsman