

The complaint

Mr S has complained that Wise Payments Limited (“Wise”) failed to protect him from falling victim to an employment-related 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 S has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr S, but I’d like to reassure Mr S and his representative that I’ve considered everything both parties have said.

Mr S explains that in November 2023 he was contacted by an individual (“the scammer”) posing to be from an employment agency, offering Mr S a job opportunity. Mr S says that he didn’t find this unusual as he was actively looking for a job at the time. Mr S expressed an interest in the role, and the scammer explained that the job involved rating movies online to increase their visibility and reach a greater audience. Mr S says he verified that the company the scammer said they worked for was legitimate using several sources, including the company’s own website. He says he was told he could earn between £1,500 and £2,000 per week, although he didn’t receive an employment contract. But he says he was convinced by the scam because the scammer was always knowledgeable and professional, and the company had a “customer service” department which made it seem genuine.

Mr S says he was added to a messaging group, and he also had support from the employer’s official customer support service. He was given access to a “work platform” where he also received some training on how to complete the tasks.

Mr S explains that he was required to deposit funds into his work account in order to unlock sets of tasks to complete. The tasks had a set rate of commission, but he’s also explained that he was occasionally presented with “superior orders” which appeared to cost him more to complete, and therefore made his account fall into a negative balance. The only way Mr S could continue working was to clear the negative balance in addition to paying to unlock the tasks. From the account he’s given, the amounts he was required to deposit gradually increased, however it appears Mr S was lured into making the increasingly large payments as he could see that he was earning more commission as a result.

Mr S made the following payments:

	Date	Amount (£)
1	21/11/2023	50
2	22/11/2023	50
3	22/11/2023	27.46
4	22/11/2023	43.21
5	23/11/2023	50

6	23/11/2023	55.46
7	23/11/2023	36.70
8	23/11/2023	28.33
9	24/11/2023	100
10	24/11/2023	77.01
11	25/11/2023	100
12	25/11/2023	336.35
13	25/11/2023	1,354.57
14	26/11/2023	2,000
15	26/11/2023	2,325
16	26/11/2023	2,000
17	26/11/2023	2,000
Total		10,634.59

Mr S says he realised he'd fallen victim to the scam when he was faced with another "superior order" which led his balance to fall into a negative balance of £16,000. When he was unable to pay this, and contacted the company's customer service department for assistance, he realised he was still being pushed to make the payment, and consequently realised he was being scammed.

Mr S made a complaint to Wise. He said Wise failed to intervene 17 times, meaning that it failed to prevent the scam from happening. He said that if Wise had intervened in the way it should have before the payments were made, this could have prevented him from losing the money that he did. He requested Wise refund him what he'd lost, with interest, plus £300 compensation.

Wise didn't uphold Mr S's complaint as it said it followed Mr S's instructions to make the payments, so it didn't refund anything he'd lost. Mr S wasn't satisfied with Wise's response, so he referred it to this service for an independent review.

Our investigator considered everything didn't recommend the complaint should be upheld. He said he thought Wise had done enough by displaying tailored written warnings to Mr S, even though they weren't specific to the actual payments Mr S was making, as he hadn't given Wise accurate information about their purpose.

As Mr S 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 S 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 S authorised these payments from leaving her account. It's accepted by all parties that Mr S 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 S'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.

I should start by explaining that Wise isn't Mr S's main bank account. The funds used in this scam were sent to Wise from Mr S's main account before being forwarded to the scammers. Although Mr S has also raised a complaint about the other bank, I won't be considering that in this decision.

Mr S sent 17 payments as part of this scam. And Wise says that for all except one of the payments he was asked to choose the payment purpose from a list. Mr S responded "Sending money to friend or family" each time he was asked. Following this, Wise showed Mr S a written warning, specific to the payment type he'd selected, giving warnings about making payments to friends and family. These warnings urged Mr S to ask himself some questions before proceeding with the payment, such as "Have you met [recipient] in real life?" and "Did [recipient] ask for money unexpectedly?". Mr S was then required to acknowledge the warning by either cancelling the payment or choosing to proceed. He chose to proceed for each payment.

Whilst the warnings themselves weren't particularly effective in this scenario, I don't hold Wise responsible for that. The warnings shown were dependent on the answers Mr S gave when asked for the payment purpose; although it doesn't look like he was presented with an option to select that he was making payments in order to work, had Mr S selected "Something else" from the options I think this may've prompted Wise to be on alert, or to further intervene, before processing the payments. I also think it was reasonable for Wise to consider the payments Mr S was making as lower risk based on the reason he gave – as sending payments to family or friends are generally more common, and present less risk of financial harm, than paying to work.

Mr S's account appears to have been opened for the purpose of this scam so Wise didn't have any history in order to be able to understand what his normal pattern of behaviour looked like. In itself I don't consider that this excuses Wise's responsibility to protect its customers from harm, but I've kept in mind that Wise also needs to balance this responsibility with its obligation to make payments promptly. Interventions can look differently in different circumstances, and they don't always need to be in the form of human contact. And in this case, I think the purpose-specific written warnings based on the information provided by Mr S were sufficient, balancing Wise's responsibilities whilst minimising unnecessary disruption and the risks it was presented with.

I say this because the payments were made to nine different recipients, and they fluctuated in value. This, as well as the fact that they were sent over the course of a week, rather than in very rapid succession, means I don't think Wise missed an opportunity to spot that Mr S was being scammed, and to take further action than it did by warning Mr S about the risk he could be open to.

I've kept in mind that on 26 November 2023 Mr S sent four payments with a cumulative value of over £8,000. I do recognise that Mr S is unlikely to agree with me but keeping in mind the way Wise is generally used, I don't think it ought to have appeared particularly suspicious to Wise for Mr S to make these payments in one day, especially as the payments were made to different payees. Additionally, as Wise didn't have any account history for Mr S it didn't know what his typical account behaviour looked like. Wise therefore had to make a judgement based on everything it knew about the payments in the wider context of scams, and I don't think there were enough red flags that Wise ought to have done more than it did to intervene.

I've also noted that Mr S's representative says Mr S was coached by the scammers on how to answer the questions Wise asked about the payments. Although our investigator attempted to understand why Mr S's representative believes any intervention by Wise would've been effective given that Mr S was being coached, it didn't give an answer that changed his opinion, nor that makes me think any differently in reaching my decision.

In considering whether Wise did what it should've done to prevent this scam, I've also thought about Mr S's actions. I do accept that Mr S didn't find it unusual for a recruiter to contact him out of the blue, as he says he was searching for a job at the time it happened. 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. Mr S also hadn't 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, by the time he started making payments to the scammers. This, as well as having to pay to earn money in return, isn't a plausible scenario, so I don't think Mr S did enough to protect himself from financial harm.

Recovery of the funds

Wise says that it tried to recover all of the funds Mr S had sent as soon as it was made aware of the scam. Wise was able to recover £799.11, which it has returned to Mr S, but as no other funds remained there's nothing else I could've expected Wise to do here.

I'm very sorry that Mr S 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 don't uphold Mr S's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 October 2024.

Sam Wade
Ombudsman