

The complaint

Mr S complains that Wise Payments Limited didn't reimburse a payment he made following a scam.

What happened

In December 2023, Mr S opened an account with Wise. He paid £7,000 into the account which he then paid to a third party who I'll call 'G'. But Mr S then realised he'd been the victim of a scam – and reported the payment to Wise later that day. Wise says it wasn't able to recover the funds as the recipient had already transferred them elsewhere.

Mr S thinks Wise should have done more to protect him, and wants it to reimburse the funds. Our investigator reviewed the complaint. She accepted that Mr S had been the victim of a scam. But she thought Wise ought to have identified that Mr S might have been at risk of financial harm. She thought that if Wise had warned Mr S about the payment, it might have prevented his loss. But she also thought that Mr S could reasonably have done more to check whether the scam he fell victim to was genuine. In the circumstances, she thought Wise should refund 33.33% of the £7,000.

Mr S agreed with the investigator's recommendations. Wise disagrees. Wise says that as Mr S was a new customer, it had no prior account activity to compare him to. It didn't think the payment was high risk – and it didn't at that time have any concerns about the account that received the funds.

As we couldn't resolve things informally, the complaint has been referred to me to decide.

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.

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In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice, and where appropriate what I consider to have been good industry practice at the time.

In broad terms, the starting position is that an Electronic Money Institution like Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

In this case, there's no dispute that Mr S authorised the payment in question. And so the starting point is that Mr S can be held liable for this payment. But there are circumstances where it might be appropriate for a platform like Wise to take additional steps or make additional checks before processing a payment to help protect its customer from the

possibility of financial harm from fraud. For example, where the payment is sufficiently unusual or uncharacteristic for the usual use of the account. In such circumstances I'd expect Wise to intervene and ask more questions about the intended transaction before processing it.

Here, Mr S didn't have an existing relationship with Wise – this was a new account and the only transaction on the account related to the scam. Mr S opened the account, and on the same day paid £7,000 to the account. He then paid this to G. Wise argues that this means it couldn't know what Mr S's 'typical' account usage was – and says the payment did not trigger as high risk according to its internal fraud models. It doesn't think it should have intervened. I've thought about this. I think the size of the transaction means Wise ought reasonably to have identified that Mr S may have been at risk of suffering financial harm, particularly given the fact that, as Wise says, the account was new and so it had no way of knowing what his normal behaviour was like. In fact, Wise didn't display any warning at all – and processed the payment without querying it further.

I've therefore gone on to consider what difference a warning would have made. At the time Mr S made these payments, I think it would have been good industry practice for Wise to have asked Mr S the purpose of the payment. It could then have given a warning covering off the main features of scams associated with this type of payment.

I've carefully considered the information Mr S has sent us about the scam. Based on what I've seen, it appears Mr S thought he was earning money by working online. He was contacted on an instant messaging platform by someone who claimed they'd been given his details by an executive search firm. He was told he was going to help developers get a better ranking on online stores. He was told the job paid salary and commission, and that he could earn £5,000 a month, working 1 hour a day. Mr S completed some training and received a small payment. He then completed tasks through an online platform – and joined a group on an instant messaging platform which appeared for be for other participants in the scam.

In that chat, he was told he'd receive two types of task – a normal task that would pay commission, and a "combination" task that would require him to pay a deposit but which, when completed, would reimburse both the deposit and an enhanced level of commission. Other participants in the chat said they'd received these tasks – and reassured Mr S that such tasks were normal. So when Mr S subsequently received these tasks, he bought cryptocurrency and paid it to the scam platform. But on 8 December, he was told he'd need to pay larger amounts: first a payment of around £2,500 which he paid from an account with another financial business, and then a further payment of £7,000. The other participants on the chat assured him this was normal. He borrowed £7,000 from a friend, which he then paid by card into his Wise account, and then paid this on by bank transfer to the third party. The platform then required a further deposit. It was at this point that Mr S got in touch with the organisation he thought he was employed by – and discovered it was a scam.

Having considered all of this, I'm satisfied that Mr S took what the scammer told him at face value. I see no reason why, if asked the purpose of the payment, Mr S would have selected a misleading payment purpose. And at the relevant time, I'd have expected Wise to ask further questions to establish the actual scam risk. Given the scam I've described above, I'm persuaded had it done so, it's likely Wise could have broken the spell. I'm also mindful that Mr S independently discovered for himself that this was a scam just a few hours later – and immediately broke contact with the scammers.

Finally, I've considered the extent to which Mr S bears responsibility for his losses. I accept that Mr S believed the job was genuine. He was approached by someone purporting to

represent a recruitment firm on behalf of a major software company. And I note Wise didn't intervene.

That said, I think Mr S should share some liability with Wise. The job opportunity was, on any view, too good to be true – Mr S was told he might earn £5,000 a month – £60,000 a year – doing as little as 1 hour work a day; the job itself involved menial web-based tasks and didn't require any skills. I acknowledge that Mr S says he checked the names of the employer and the recruitment agency on Google. He didn't however, question why they were contacting him through instant messaging, or check whether his contacts worked at those companies. Nor did he receive a formal contract of employer – instead he just needed to register on a website and complete some basic training. Moreover, he was being asked to deposit his own money in order to get access to the better or more valuable tasks.

I further note that after Mr S ran out of money he carried out further checks on the "employer" and found a warning that people were using its name in job scams such as this one.

I further note Mr S's bank didn't intervene to question this payment either, when it was sent to Wise from his bank account. The bank has accepted it is responsible for some of these losses. I've taken this into account when working out what is fair.

With this in mind, I'm satisfied that Mr S, Wise, and the other bank should share responsibility for the losses here.

I've considered whether Wise could have done more to recover these funds. I note that when Mr S reported the scam, Wise tried to recover the funds – but they'd already been spent. So I can't say Wise could have done more here.

Putting things right

Wise should refund 33.33% of the £7,000. Wise should also pay simple interest – the rate is 8% - on this amount from the date Mr S paid it until the date Mr S gets it back.

My final decision

I uphold the complaint in part. Wise should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 August 2025.

Rebecca Hardman
Ombudsman