

The complaint

Mr J complains that Wise Payments Limited ('Wise') won't refund money he lost as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat what happened in detail.

In summary, Mr J fell victim to a romance scam. He was persuaded by the scammer to send £2,400 across six payments to what he believed was a genuine investment opportunity that was presented to him. The relevant payments are:

Payment	Date	Transaction type	Payee	Value
1	10 January 2024	Fund transfer	'FI'	£100
2	15 January 2024	Fund transfer	'YH'	£600
3	17 January 2024	Fund transfer	'OK'	£250
4	25 January 2024	Fund transfer	'RPA'	£400
5	3 February 2024	Fund transfer	'HB'	£150
6	16 February 2024	Fund transfer	'WZL'	£900
			Total	£2,400

Mr J believed he was sending the money to invest in cryptocurrency. When he was unable to withdraw his funds from the investment platform, unless he made a further deposit, he realised he had been scammed.

In March 2024, Mr J reported the scam to Action Fraud and Wise, with a complaint being raised. Wise didn't uphold it. In short, they said, the payments were completed as directed by Mr J and therefore they fulfilled their contractual obligations to do so. Wise said they always encourage customers to perform their own due diligence on the person or business before setting up a payment and that they were only aware of the scam when they were informed by him.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think Wise had to do anything further. He said he didn't think Wise ought to have been concerned about the payments, as they were spread out and not made in quick succession of one another. The value of payments wouldn't have been a cause for concern or appeared suspicious and they were all made and authorised by Mr J. The Investigator went on to say he didn't think

there were sufficient grounds for Wise to think Mr J was at risk of financial harm from fraud when he made the payments, so he didn't think Wise were at fault for processing the payments in accordance with his instructions. He also didn't think Wise could have done anything else to recover Mr J's funds once they were informed of the scam.

Mr J didn't accept the Investigator's view, so the complaint was passed to me for a final decision on the matter.

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 done so, I'm not upholding the complaint, for the same reasons given by the Investigator. I appreciate this will come as a great disappointment to Mr J, who has sadly lost money to a cruel and sophisticated scam. I have a great deal of sympathy for what he's been put through at the hands of the scammer. But, on balance, I can't fairly say Wise should be held responsible for the loss. That's because I don't consider Wise would have been sufficiently on notice that Mr J might have been falling victim to a scam, and I also don't think the funds could have been recovered once the fraud was reported. I've explained my decision below.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI), like Wise, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account and the Payment Services Regulations (PSRs). Mr J 'authorised' the transactions in question (he made them), albeit under the false belief they were for a legitimate investment opportunity. So, Wise were under an obligation to process the payments – but that isn't the end of the story, as far as the EMI's responsibility goes.

While that's the starting position, I've also taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. That means I consider Wise should fairly and reasonably have been on the lookout for the possibility of Authorised Push Payment fraud at the time, and intervened if there were clear indications their customer might be at risk.

Wise has a difficult balance to strike in how they configure their systems to detect unusual activity indicative of a higher risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect Wise (or any business) to check each one. In situations where Wise does decide to carry out further checks, I would expect that intervention to be proportionate to the circumstances of the payment. The first question for me to decide is whether the disputed transactions ought to have looked concerning enough to have prompted fraud enquiries.

The account was newly opened when the disputed transactions were made, so there wasn't any prior account usage for Wise to use to understand what usual activity looked like. The payments were for relatively low amounts, and even the final payment wasn't so concerningly large that it indicated a potential fraud concern. The payments were also spaced out across five weeks and not escalating in size – so weren't forming an obvious or known fraud pattern.

Having considered what Wise knew about the payments at the time it received Mr J's instructions, I'm not persuaded they ought to have been particularly concerned about them. Wise promotes itself as an international money transfer service, and so this activity would have been in line with expected use for the type of account they offer. The amount

of money Mr J sent, while I appreciate not an insignificant loss, doesn't in itself suggest a heightened risk of fraud. Nor was it going to payees that carried a heightened fraud risk. Instead, it was going to other individual's accounts, and it is not uncommon for customers to transfer payments of this value at times.

All of this means that, without any interaction between Mr J and Wise before the payments were made, I don't think Wise would have had enough reason to suspect Mr J was at risk of financial harm from fraud when he made the payments. So, I can't say it was at fault for processing them in line with his instructions.

Recovery

I've considered whether, on being alerted to the scam, Wise could reasonably have done anything more to recover Mr J's loss, but I don't think they could have. Wise have confirmed by the time they received the fraud report; no funds remained in the recipient accounts, and they made sure they deactivated all the accounts on notification of the scam. It's common for fraudsters to move money on quickly to other accounts once received, to evade recovery attempts. In the circumstances, I don't think Wise could reasonably have recovered Mr J's losses here.

Conclusion

While I'm sorry to disappoint Mr J, and I recognise the huge impact the fraud will have had on him, I can't fairly say that Wise ought to have prevented his loss. Therefore, I'm not directing it to refund the transactions.

My final decision

My final decision is I don't uphold Mr J's complaint about Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 16 June 2025.

Israr Ahmed
Ombudsman