

The complaint

Miss B complains that Wise Payments Limited, trading as Wise, won't refund the money she lost when she was the victim of a scam.

What happened

In March 2023, Miss B received a text message from someone who said they worked for a travel agent and had a potential job for her. And as Miss B had been looking for work, she replied that she was interested. She was then told the job involved reviewing and rating hotels online and that she would receive commission for each set of tasks she completed.

Miss B was told to open accounts with Wise and a cryptocurrency exchange. And she was given access to the travel agent's platform, where she could see the tasks she could complete and the profit she had earned. She was shown how to purchase cryptocurrency, which she would use to pay for some of the tasks she was to complete, and then send it on to the platform. And Miss B then made a number of payments from her Wise account to purchase cryptocurrency, which she then sent on to wallet details she was given for the travel agent.

I've set out the payments Miss B made from her Wise account below:

Date	Details	Amount
6 March 2023	To 1 st payee	£1,000
6 March 2023	To 2 nd payee	£2,000
8 March 2023	To 3 rd payee	£2,100
8 March 2023	To 4 th payee	£1,300
13 March 2023	To 5 th payee	£3,500
14 March 2023	To 6 th payee	£200
15 March 2023	To 7 th payee	£500
15 March 2023	To 8 th payee	£564
15 March 2023	To 8 th payee	£500
15 March 2023	To 8 th payee	£500

Unfortunately, we now know the travel agent and the job were a scam. The scam was uncovered after Miss B was told she had to pay a large amount before she could withdraw the profit the platform showed she had made. Miss B then realised she had been the victim of a scam, reported the payments she had made to Wise and asked it to refund the money she had lost.

Wise investigated but said it had shown Miss B warnings before the payments she had made, and had completed the payments as she had directed it to. So it didn't agree to refund the money she had lost. Miss B wasn't satisfied with Wise's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Wise should have been expected to identify that Miss B was at risk of falling victim to a scam here, or that anything

we would have expected it to have done would have prevented her loss. So they didn't think Wise should have to refund the money Miss B had lost. Miss B disagreed with our investigator, so the complaint has been passed to me.

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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as 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.

And Miss B accepts she made the payments here. So while I recognise she didn't intend for the money to go to scammers, she did authorise the payments. And so the starting position in law is that Wise was obliged to follow her instructions and make the payments. So Miss B isn't automatically entitled to a refund.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in March 2023 Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So I've considered whether Wise should have identified that Miss B was at heightened risk of financial harm from fraud as a result of any of the payments she made here.

But Miss B's account had only been opened relatively recently, so Wise didn't have a significant period of previous activity to compare the payments to when assessing whether they were unusual or out of character.

This type of account is also often used by customers in a less predictable and less routine way than a personal account, and so is more likely to see occasional large transactions. Wise was also told the purpose of the account was for buying goods or services abroad so, given this information, I think it's reasonable to expect there to be occasional large payments to new payees leaving the account.

The payments Miss B made here also weren't for particularly large amounts, or for amounts where I'd have expected Wise to identify them as suspicious based on their size alone. They weren't obviously connected or done in such a short space of time or such an obvious pattern that I would have expected Wise to identify a risk from them. And they weren't identifiably related to cryptocurrency or have any other obviously suspicious characteristics that I think Wise should have identified either.

So I don't think it's unreasonable that Wise didn't identify that Miss B could be at heightened risk of financial harm from fraud as a result of any of these payments. And so I don't think it's unreasonable that it didn't take any further steps or carry out any additional checks before allowing the payments to go through.

We also expect firms to take reasonable steps to try to recover any money their customers have lost, once they are made aware of a scam. But, from what I've seen, I don't think anything I would have expected Wise to have done here would have led to any more of Miss B's money being recovered.

I appreciate that Miss B has been the victim of a cruel scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. But I can only look at Wise's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Wise to have done would have prevented the loss Miss B suffered. And so I don't think it would be fair to require Wise to refund the money Miss B has lost.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 24 April 2025.

Alan Millward
Ombudsman