

The complaint

Mr B is unhappy that Wise Payments Limited haven't refunded money he lost as a result of a scam.

Mr B is being represented by a claims management company but, for ease of reading, I'll only refer to Mr B in the decision.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In October 2023 Mr B said he was looking for work online when he was then contacted via a messaging service by someone working on behalf of a 'website' offering remote task-based work. In total Mr B sent around €10,800 and £42 to various third parties. He received refunds of €854.71 and £10 meaning in total he sent around €9,952.98 and £32 towards this job opportunity.

When Mr B realised he had been scammed he contacted Wise asking for a refund. Wise considered the complaint and was able to retrieve €136 from one of the beneficiary accounts. But said it wouldn't offer Mr B any further refund. Unhappy with that response Mr B contacted the Financial Ombudsman.

Our Investigator didn't think the complaint should be upheld. She said that Wise had reasonably asked Mr B to confirm the payment reasons on some of the payments, but he selected the wrong ones. As a result, Wise wasn't able to provide accurate scam warnings. Overall, she didn't think Wise could've done anything more to stop the scam and recover Mr B's money.

Mr B disagreed and asked for an Ombudsman's review. He said the payments were unusual and he should've been contacted on the phone to discuss why he was making them. If Wise had taken that action, the scam would've been uncovered.

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 Mr B has been the victim of a scam, and I don't underestimate the impact this has had on him. But I must consider whether Wise is responsible for the loss he has suffered. And while I realise this isn't the outcome Mr B is hoping for, for similar reasons as our Investigator, I don't think it is. I therefore don't think Wise has acted unfairly by not refunding the Mr B's loss. I'll explain why.

It isn't in dispute that Mr B authorised the above payments. And, under the Payment Services Regulations 2017 and the terms of his account, Wise are expected to process the payments and Mr B is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Wise asked Mr B information about the payments before processing them. But he doesn't think it went far enough here – and that if it had delved more deeply, his loss would've been prevented.

So, the starting point here is whether the instructions given by Mr B to Wise was unusual enough to have expected additional checks being carried out before the payments were processed. But I must keep in mind that Wise processes high volumes of transactions each day; and that there is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Wise said that it stopped payments 2,5,8,9,10,11,12 and 13 so it could provide fraud and scam advice. It asked Mr B for the reasons for the payments and provided warnings based upon his responses. Mr B says Wise didn't go far enough here and should've done more such as calling him to ask why he was making the payments.

Mr B told Wise he was making the payments to '*friends and family*' and '*investments*'. Wise has confirmed that Mr B did have the option of selecting another payment purpose of '*Paying to earn money by working online*' but this wasn't selected on any of the payments. So, I can't reasonably say that Wise treated Mr B unreasonably by showing him the scam warnings as it was the payment reasons he selected that led to the inaccurate warnings being shown.

I've considered Mr B's points that Wise should've done more here to speak to him about the payments. However, although this account had been open since 2017, there had been no payments on the account for six months. I accept there were a variety of payments to different new payees on this account, but considering the recent account history I think it would be difficult for Wise in Mr B's circumstances to have done anything more here just on the velocity of payments alone. Having looked at the payments he made, I don't think the amounts, in my opinion, were of a significantly high value in general banking terms to have alerted Wise to the possibility of a scam. As a result, I don't think there was a further missed opportunity to intervene on any of the other payments.

When Mr B raised the scam, he was asked for further details but didn't respond to Wise initially until he later raised a complaint. Wise then reasonably contacted the beneficiaries, but it was told that no funds remained in the accounts apart from €136.23. And I can see that the remaining funds were moved from the receiving accounts on the same day that Mr B made the payments. As a result, Wise didn't treat Mr B unfairly by not being able to recover any further funds here.

Taking all this into account, I don't think any of the circumstances surrounding the payments that left Mr B's account would've given Wise any further cause for concern; and that it took reasonable and proportionate action before processing them.

I have a great deal of sympathy for Mr B and the loss he's suffered. But it would only be fair for me to direct Wise to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and so I'm not going to tell it to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 May 2025.

Mark Dobson
Ombudsman