

The complaint

Miss J has complained Wise Payments Limited did nothing to stop payments she made which turned out to be part of an employment scam.

What happened

In 2023 Miss J became aware of potential job opportunities through social media and got in touch with the company (who I'll call R). They communicated with her through WhatsApp and told her she needed to review films and complete other tasks and would earn money to do so.

To assist her in making initial payments which she was required to do, Miss J set up an account with Wise. She received an initial small payment and started to do what she believed would bring her some income. Over a period of three weeks Miss J ended up sending five payments to five different individuals using her Wise account and their transfer service.

Miss J realised she was involved in a scam at the end of December after making these five payments totalling £915.50. She contacted Wise initially online and then by phone to ask for their help and to see whether she'd get a refund.

Miss J had borrowed money to help her make these payments and had been taken in by other supposed employees on WhatsApp that big financial returns could be hers.

Wise confirmed they wouldn't refund Miss J. There was nothing in her payment behaviour that looked unusual. They also confirmed their terms and conditions made it clear that it was their customers responsibility to check who they were dealing with.

Miss J brought her complaint to the ombudsman service.

Initially Wise was slow to provide evidence as required. Our investigator confirmed she was going to ask Wise to refund the last payment Miss J had made as she was aware that Miss J had notified them of the scam soon after this had been made.

After further review and evidence, she could see that £480 had left the recipient's account after receipt so felt that Wise's attempts to recover any funds would have been unsuccessful. She wasn't going to ask Wise to reimburse Miss J.

Miss J has asked an ombudsman to review her complaint.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of

probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Miss J was scammed. This has had an impact on her finances and her mental health. She has my sympathy about what she has gone through.

There's no dispute that Miss J made and authorised the five payments totalling £915.50 from Wise to five different individuals accounts with Wise.

I'm satisfied the disputed transactions were authorised under the Payment Services Regulations 2017

Our starting point is that banks and electronic money institutions are required to follow their customer's instructions. But, 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 in 2023 that 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

I've reviewed these payments and can see that Miss J had recently opened her account with Wise so they had no history of her transaction behaviour to base their assessment on. I can also see that – apart from the last payment of £480 – the payments were for low-value amounts. That along with the funds being sent to named individuals wouldn't necessarily have caused any alarm bells to ring.

In fact, Wise ensured Miss J saw warnings about potential scams when she confirmed she was sending the money as part of her online employment. Miss J has admitted she'd done no checking into R when I suspect with a bit of searching, she'd have become quickly aware that this was all a scam.

In all four cases Miss J confirmed she wished to proceed with the payments she was making and accepted the risk this could be a scam.

I can see that after making the final payment Miss J thought twice about what was going on. She contacted Wise online and then two days later called them to raise her complaint fully.

Unfortunately, I can see that the recipient of Miss J's £480 transferred the money into crypto funds as soon as it was received. Therefore, Wise would have had no chance of being able to recover any funds.

As I've already confirmed I'm satisfied that Wise did what was required during the payment journey, I don't think it would be fair and reasonable to ask Wise to refund Miss J.

My final decision

For the reasons given, my final decision is not to uphold Miss J's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 16 December 2024.

Sandra Quinn
Ombudsman