

## **The complaint**

Ms T complains that Wise Payments Limited won't refund the money she lost after falling victim to a scam.

## **What happened**

Ms T is represented in this complaint by a claims management company, for simplicity I will refer to Ms T throughout this decision, even when referencing what her representatives have said on her behalf.

In June 2022, Ms T was contacted by someone who said they worked for a well-known cryptocurrency company, which I'll call B. This person claimed that they had recovered a cryptocurrency wallet belonging to Ms T which contained a large amount of money, and that they could help her to access this money. Ms T was provided with various evidence which appeared to prove the existence of this wallet, and so agreed to pay significant fines, insurances and taxes to access her funds. Unfortunately, and unknown to Ms T, the person she was speaking with was not legitimate, she was dealing with a scammer.

As part of the scam Ms T opened a new account with Wise to facilitate the payments. Over the course of nine days Ms T made 45 payments to various accounts held with cryptocurrency providers. But when she didn't receive the recovered funds she was expecting, she contacted B directly, and they told her that she had been scammed.

Ms T contacted Wise about the scam payments and it looked into what had happened, but it did not agree to refund any of her loss. It said it had carried out the payments as instructed and did not accept it had any liability for her loss.

Ms T wasn't happy with Wise's response, so she brought a complaint to our service. An investigator looked into Ms T's complaint, initially they felt that Wise could have done more to stop the scam, but on reconsidering the evidence they concluded that any further intervention would have been unlikely to stop Ms T from making the payments, so they did not recommend that the complaint be upheld.

Ms T disagreed with the investigator's opinion, saying that her particular circumstances meant that any good quality intervention from Wise would have brought the scam to light and prevented Ms T from incurring any further loss.

## **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 overall outcome as the investigator, I'll explain why.

I'm satisfied that Ms T authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here)

that means Ms T is responsible for them. That remains the case even though Ms T was the unfortunate victim of a scam.

Because of this, Ms T is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Wise acted fairly and reasonably in its dealings with Ms T, or whether it should have done more than it did.

In this case, I agree with our Investigator that the pattern of payments Ms T made, the value being sent in a short period of time, and that the payments were to known cryptocurrency providers, should have given Wise cause for concern given the prevalence of scams associated with cryptocurrency. And I therefore think it would have been reasonable for Wise to take steps to intervene by the time of the fourth payment Ms T made to the scam, as this was the fourth payment in a few minutes to a new payee associated with cryptocurrency, and represented almost £4,000 being sent in a short period of time.

However, with all I've seen about the interactions Ms T had with other banks from which she also made scam payments, I'm satisfied that any further intervention from Wise, either at the time of the fourth payment or later on in the scam, would not have stopped Ms T from proceeding with the payments. I say this because, to fund her payments to the scam, Ms T transferred money from her account with a high street bank – S – into her Wise account. And I can see that S did intervene and ask her questions about the payments she was making.

But Ms T was not honest with S. S's notes show that she told it she was moving the money to her Wise account so she could use it overseas for work on her property. She also inaccurately told S that she was not being put under any pressure to make the payment, hadn't responded to any cold calls, and that the Wise account had been opened without any influence from a third party.

Ms T has acknowledged the inaccuracies in what she told S, but says that this story would have quickly fallen apart if Wise had questioned her, given that the payments from Wise were identifiably going to cryptocurrency. She's also commented that she was on strong medication at the time, and would have been unable to think quickly if she had been challenged by Wise about any story she gave.

But I can't agree that the evidence I've seen bears this out. Specifically, Ms T also referred a complaint to us about another electronic money institution – R – from which she made payments to a scam. On that occasion, around eight weeks after the scam that is the subject of this complaint, Ms T was apparently contacted by another individual who said they could recover her losses, but that she again needed to pay various fees and charges to enable that recovery. In that case R questioned Ms T about some of the payments she was making, which were again identifiably going to cryptocurrency accounts, and Ms T said that she was investing in cryptocurrency, had not been pressured or advised by anyone, and was acting alone. This was not true. By this stage Ms T already knew that the previous contact regarding recovering her funds had been a scam, and yet she was still willing to be dishonest with R to ensure she could make payments to what appears to have been a very similar scam.

With this in mind, I don't think I can fairly and reasonably conclude that intervention from Wise would have uncovered this scam. Ms T seems to have been willing and able to mislead

R and S in order to make payments that she believed would help her recover some lost funds, and I think it is more likely than not that she would have done the same had Wise made contact with her. This would have severely limited Wise's ability to provide her with any relevant warnings that could have helped to bring the scam to light. So, I don't consider that Wise missed an opportunity to protect Ms T from this scam or to prevent her loss.

I've also thought about whether Wise did all it could to try to recover Ms T's funds when she told it of the scam. But given that the payments Ms T made were to purchase cryptocurrency I don't consider there is anything Wise could have done to recover those funds.

I'm sorry to disappoint Ms T as I know that she has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Wise would not have prevented Ms T from making further payments to the scam. It follows that I don't think Wise is liable for her loss and won't be asking it to refund any of her losses.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 7 November 2024.

Sophie Mitchell  
**Ombudsman**