

The complaint

Mrs T complains that Wise Payments Limited (Wise) is refusing to refund her the amount she lost as the result of a scam.

Mrs T is being represented by a third party. To keep things simple, I will refer to Mrs T throughout my decision.

What happened

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

In summary, Mrs T received a WhatsApp message from an individual claiming to be from the recruiter Glassdoor Recruitment (X). X explained a remote working position was available where the salary would be dependent on the effort Mrs T put in. Mrs T expressed her interest in the role and received a call.

X explained that Mrs T would be working for Google Hotel Ads providing reviews for hotels to help improve their ratings, promote their facilities, and improve their bookings.

Mrs T was added to a group chat with others working in the same role and was able to setup an account on what appeared to be a professional platform from which she could perform the job.

Mrs T says that overall, the job being offered seemed legitimate and X was very convincing throughout.

X explained that Mrs T would have to make deposits into the platform each day to start her tasks and that the more she paid the greater return she could make. Mrs T opened an account with Wise for the purpose of making these payments. Mrs T could see she was making a return which she says added to her belief that X was genuine.

Mrs T continued the role and found she was coming across different bonus tasks that would put her account in a negative balance. Mrs T was required to clear the balance by making a payment but was promised higher returns as a result. X explained that Mrs T was lucky to receive these tasks.

Mrs T continued and was able to make a small withdrawal from the platform which Mrs T says added again to her belief she was working within a genuine role.

Mrs T continued to complete the tasks required within the role and making payments from an account she held elsewhere when receiving further bonus tasks.

Mrs T continued to progress and soon became a "VIP level S". Her role included booking hotels and she was asked to make a payment of £20,000 to make a withdrawal. Mrs T explained she couldn't make the payment but was encouraged further by X explaining it would help Mrs T, and she would receive a discount on the payment meaning she wouldn't have to pay the full amount.

After making the payment X explained the discount could not be applied and Mrs T would have to make a further payment of around £10,000 before a withdrawal could be made.

Having made further payments as directed by X Mrs T was still unable to make a withdrawal and X continued to pressure her into making more payments. Mrs T asked for her money back and not to receive any commission, but X refused. It was at this point that Mrs T realised she had fallen victim to a scam.

X then messaged Mrs T insulting her and thanking her for the money, confirming that a scam had occurred.

Mrs T made the following payments in relation to the scam from her Wise Account:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	14 September 2023	Individual 1	Transfer	£50.00
2	15 September 2023	Individual 2	Transfer	£43.00
3	15 September 2023	Individual 2	Transfer	£25.24
4	16 September 2023	Individual 3	Transfer	£53.00
5	16 September 2023	Individual 3	Transfer	£138.00
6	16 September 2023	Individual 3	Transfer	£70.65
7	17 September 2023	Individual 4	Transfer	£256.35
8	17 September 2023	Individual 5	Transfer	£526.00
9	17 September 2023	Individual 5	Transfer	£1,287.00
10	17 September 2023	Individual 6	Transfer	£2,496.15
11	17 September 2023	Individual 7	Transfer	£3,500.00
12	17 September 2023	Individual 7	Transfer	£3,500.00
13	18 September 2023	Individual 8	Transfer	£1,030.07

Our Investigator considered Mrs T's complaint and didn't think it should be upheld. Mrs T disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mrs T has fallen victim to a cruel scam. The evidence provided by both Mrs T and Wise sets out what happened. What is in dispute is whether Wise should refund the money Mrs T lost due to the scam.

Recovering the payments Mrs T made

Mrs T made payments into the scam via the method of transfer. When payments are made in this way Wise has limited options available to it to seek recovery. The payments made appear to go to individuals to purchase cryptocurrency, this cryptocurrency was then provided and forwarded in relation to the scam.

As the purchase of the cryptocurrency was a legitimate transaction Wise would not be able to seek recovery from the individuals Mrs T made the payments to.

Should Wise have reasonably prevented the payments Mrs T made?

It has been accepted that Mrs T authorised the payments that were made from her account with Wise, albeit on X's instruction. So, the starting point here is that Mrs T is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Wise should have been aware of the scam and intervened when Mrs T was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mrs T made in relation to the scam went to other individuals so it wouldn't have been clear to Wise that she was making more risky payments associated with cryptocurrency.

For some of the payments Mrs T made she was asked to confirm the payment reason. Each time Mrs T gave the reason "Investment" other than when she made payment 4 and selected "paying to earn money by working online".

When she gave the incorrect reason of investing Mrs T was provided with an online warning about the dangers of making payments in relation to investments. It's not surprising this warning didn't cause Mrs T concerns as she had given an incorrect reason for the payment and was not experiencing a scenario this warning was aimed at.

When Mrs T gave the correct reason of paying to earn money by working online she received a different warning that said "New types of scam happen all the time. And it's hard to get your money back once you send it. So, while your answers don't suggest this is a common scam, talk to someone you trust first. A second opinion can help you send safely".

I don't think this warning went far enough. Wise would have been aware of job scams at the time the payments were made, and I think it should have given a more tailored warning when Mrs T made payment 4 about this type of scam.

I also think that by payment 10 Wise had reason to be concerned about the payments Mrs T was making. The payments were increasing in value, and this was the fourth payment of increasing value Mrs T had made in the same day. I think at this point Wise should have had further concerns and provided a human intervention asking Mrs T questions designed to uncover any scams that were taking place.

But even if Wise had intervened as I think it should have, I still don't think it would have made a difference.

I say this because Mrs T was not honest when questioned throughout the scam. As explained above Mrs T gave an incorrect reason for the payments she was making on several occasions, she was not sending payments in relation to an investment.

The payments Mrs T made in relation to the scam from her Wise account originated from an account she held elsewhere. When she made the transfers from this account the operator of the other account intervened.

Mrs T confirmed she was moving the payment as she was closing the account and not for any other reason.

Later in the scam Mrs T also moved money between other accounts she held elsewhere in relation to the scam. Mrs T explained she was making the payments as she was travelling to America for three weeks and would be using the account while travelling. Mrs T also confirmed no one was asking her to make the payments and that they weren't going anywhere else.

With the above in mind, I don't think Mrs T would have been any more honest if Wise had intervened and I think she would have likely provided a different reason for the payments being made from her Wise account that would have made it difficult for Wise to uncover the scam.

Mrs T says it is unfair to assume she would not have been honest with Wise, or that Wise would not have uncovered the scam had it intervened, but I don't agree. Mrs T was clearly willing to give false information to have the payments processed and I don't have enough to say her approach to Wise's questions would have been any less evasive.

As I don't think Wise was able to prevent the scam from taking place, it is not responsible for Mrs T's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 1 November 2024.

Terry Woodham
Ombudsman