

The complaint

Ms J complains that Wise Payments Limited won't refund transactions she made as part of a scam.

What happened

Ms J was initially represented on this complaint. For ease in my decision I'll refer as though all communication has come from Ms J.

Ms J fell victim to a job scam. Ms J was told she'd receive commission for carrying out online hotel reviews but to receive her pay she'd need to top up her account.

Ms J made eight payments to new payees totalling just over £2,300. After Wise restricted her account Ms J opened an account with another e-money provider, I'll call R, and made further payments to the scammers. It wasn't until these payments weren't returned that Ms J realised she'd been scammed. I'll be considering the payments from Ms J's account with R in a separate decision.

Wise said that they sympathise with Ms J's situation, but as they aren't her primary provider, and don't have access to Ms J's income or savings information they couldn't determine whether the amounts spent were inconsistent with her usual spending patterns. However, they displayed a scam warning to Ms J on several occasions. And couldn't anticipate she was the victim of a scam based on the answers given. However Wise did restrict Ms J's account in December 2023, as they were worried she might be the victim of a cryptocurrency scam and this blocked three attempted payments to the scammers.

Wise explained they made efforts to recover Ms J's funds, but unfortunately only £3.92 was recoverable. However, Ms J did receive returns from other Wise customers totalling £496.87, leaving her with a total loss via the scam of just short of £1,900.

Ms J wasn't happy with Wise's response so through a representative brought her complaint to our service. She requested a refund of the scam payments plus 8% and £300 compensation. One of our Investigators considered her complaint, but they thought that the intervention carried out by Wise was sufficient.

Ms J didn't agree. Ms J explained that she was going through a very challenging time when the scam took place by experiencing depression and financial difficulties. The funds were savings she'd made over three years to buy her dream home, but the scammers were very persuasive claiming they were from a legitimate business and initially appearing to support her to recover her funds.

As Ms J didn't agree it's 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.

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.

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 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. 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 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.

Ms J’s Wise account had been open for several years at the time of the scam payments, but had been dormant for two years when the fraudulent payments began. I’m satisfied based on this Ms J’s account activity was unusual.

I’ve thought about whether the steps Wise did take were proportionate to the risk the payments presented. Wise intervened on seven of the eight scam payments. On all these payments Ms J was told:

‘This could be a scam. Tell us what the transfer’s for and we can give you advice’

For all the payments Ms J chose paying for goods and services. But this wasn’t the most appropriate option. I can see that Wise provided several online scam warnings to Ms J which didn’t disrupt the scam.

These conversations show that Ms J wasn’t open and honest with Wise regarding her reasons for making the scam payments. I understand why Ms J gave the responses to Wise she did, due to the persuasiveness of the fraudsters and the fear they wouldn’t be processed and didn’t disclose the true reasons for the payments. But this impacted Wise’s ability to give specific and appropriate warnings about the type of scam Ms J was a victim of.

I realise this will disappoint Ms J but I’m satisfied there’s nothing Wise could have said or done which would have stopped Ms J making the payments. I say this as shortly after the scam payments were made, Wise restricted Ms J’s account as they were worried she might be the victim of a cryptocurrency scam. Despite the restriction Ms J tried to make three

further payments to the scammers, which were declined, and then – under direction from them – opened a new account with a different e-money provider to continue making payments to the scammers.

I've also considered Wise's attempts to recover Ms J's funds. The transfers were sent to other Wise accounts but unfortunately by the time Ms J notified Wise of the scam all the funds had been moved on. It follows, I wouldn't expect Wise to do anything further here.

Overall, while I understand this will be very disappointing for Ms J, I'm afraid I won't be asking Wise to do anything further here. I acknowledge that Ms J has been the victim of a cruel scam, and is an innocent party, but being the victim of a scam doesn't automatically mean that Wise are obligated to refund her. I also empathise with Ms J's vulnerability at the time, including her depression and desire to obtain more funds due to her family situation at the time. However, my role is to make an impartial judgement on a fair and reasonable basis about whether Wise have done what they are expected to do. And if they haven't, would Wise taking the correct action have prevented the scam or successfully recovered Ms J's funds. There is a third party involved – the scammers – who tricked Ms J and caused the loss she suffered. As I've determined in this case Wise isn't at fault and couldn't reasonably have prevented Ms J's loss it wouldn't be fair or reasonable for me to ask Wise to provide a refund for actions carried out by the scammers.

For the reasons I've explained above I can't say Wise are responsible for Ms J's loss. It follows I won't be asking them to refund the disputed transactions or pay Ms J any compensation.

My final decision

My final decision is I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 28 October 2025.

Jeff Burch
Ombudsman