

The complaint

Mr B has complained that Wise Payments Limited (“Wise”) failed to protect him from falling victim to an employment-related scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr B has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr B, but I’d like to reassure Mr B and his representative that I’ve considered everything both parties have said.

Mr B explains that around October 2023 he was contacted by an individual (“the scammer”) posing to be from an employment agency, offering Mr B a job opportunity. Mr B says that he didn’t find this unusual as he was actively looking for a job at the time. Mr B expressed an interest in the role, and the scammer explained that the job involved ratine movies online to increase their visibility and reach a greater audience. Mr B says he verified that the company the scammer said they worked for was legitimate using several sources, including the company’s own website, and he was told his employment contract would follow the next week. H says he was told he could earn between £67 and £85 per day, although he didn’t receive an employment contract. But he says he was convinced by the scam because the scammer was always knowledgeable and professional, and the company had a “customer service” department which made it seem genuine.

Mr B says he was added to a messaging group, and he also had support from the employer’s official customer support service. He was given access to a “work platform” where he also received some training on how to complete the tasks.

Mr B explains that he was required to deposit funds into his work account in order to unlock sets of tasks to complete. The tasks had a set rate of commission, but he’s also explained that he was occasionally presented with “premium tasks” which appears to cost him more to complete, but allowed him to earn more commission. From the account he’s given, the amounts Mr B was required to deposit gradually increased, however it appears Mr B was lured into making the increasingly large payments as he could see that he was earning more commission as a result.

Mr B made the following payments:

	Date	Amount (£)
1	02/10/2023	50
2	02/10/2023	44
3	03/10/2023	115
4	03/10/2023	72
5	04/10/2023	100

6	04/10/2023	259
7	05/10/2023	529
8	05/10/2023	1,425
9	05/10/2023	2,000
10	05/10/2023	1,005
11	05/10/2023	499
Total		6,098

Mr B says he realised he'd fallen victim to the scam when he wasn't able to complete all of his tasks on one day, and he was consequently blocked from withdrawing any of the earnings he'd accrued. He also says he was told he'd need to pay taxation fees and conversion fees, at which point he felt devastating about what had happened to him.

Mr B made a complaint to Wise. He said Wise failed to intervene before any of the payments were made, meaning that it failed to prevent the scam from happening. He said that if Wise had intervened in the way it should have before the payments were made, this could have prevented him from losing the money that he did. He requested Wise refund him what he'd lost, with interest, plus £250 compensation.

Wise didn't uphold Mr B's complaint as it said Mr B didn't conduct enough of his own research into the recipients before he made the payments, so it didn't refund anything he'd lost. Mr B wasn't satisfied with Wise's response, so he referred it to this service for an independent review.

Our investigator considered everything didn't recommend the complaint should be upheld. She didn't think the payments were so unusual that Wise should've considered them to be suspicious, so she didn't think it ought to have stopped them or questioned Mr B any further.

As Mr B didn't accept the investigator's opinion, the case was passed to me to make a decision.

I issued a provisional decision earlier this month in which I explained that I'd reached a different outcome to the investigator, and why I was minded to uphold the complaint from the third payment. I gave both parties the chance to respond before making my final decision. I've copied an extract of my provisional decision below.

Extract of provisional decision

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr B authorised these payments from leaving his account. It's accepted by all parties that Mr B gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Mr B's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Mr B says that although he saw some general pop-up messages when he made the payments, asking whether he was sure he wanted to make them, they didn't at any time mention scams. So he says Wise didn't provide any effective warnings about the risks he faced at any point.

Wise says it asked Mr B for the purpose of the payments – and showed a corresponding warning – for 10 of the 12 payments he made. The evidence it has provided shows it didn't show a warning for the first and second payments, with the respective values of £50 and £44.

Before it showed any warning message Mr B was presented with a list of purposes for the payment to select from – and each time he was asked he gave the answer “paying to earn money working online”.

Wise has provided copies of the warning screens it showed Mr B following this. I can see that the screen it shows says “Scams can happen to anyone. New types of scam happen all the time. And it's hard to get 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”. It then gave Mr B the option to “Continue to payment” or “Cancel transfer”. Mr B proceeded and all of the payments were made with no further intervention.

Having considered this, I don't think Wise treated Mr B fairly by showing this warning. Whilst I don't believe it was necessary for Wise to show a tailored written warning until the larger payments, which happened on 5 October 2023, I think the message it showed Mr B from the third payment had an adverse impact on what happened next, that's so say, gave Mr B false reassurance that the payments he was making were safe.

I say this because the warning specifically says “While your answers don't suggest this is a common scam” – and I think it's reasonable for Mr B to take this message at face value, given that it came from Wise, a company he clearly trusted to know more than him about fraud and scams. The payments were sent in October 2023, by which time task-based job scams like this one were very well-known to the industry, and I think Wise ought to have recognised that from the information Mr B gave to it. The risk of financial harm Mr B was facing was clear from the point he gave Wise the purpose of the third payment, so from that point Wise should've done more to provide him with an effective warning that clearly set out the risks associated with paying to work online.

As Wise didn't do this, and in fact told Mr B from the third payment that it *didn't* look like he was falling victim to a scam, I think Wise is responsible for Mr B's losses from that point.

Is Mr B responsible for any of the losses?

In considering whether Wise did what it should've done to prevent this scam, I've also thought about Mr B's actions. I do accept that Mr B didn't find it unusual for a recruiter to contact him out of the blue, as he says he was searching for a job at the time it happened. But it's very unusual for a recruiter to contact a prospective candidate and offer them a job through a messaging app, without having spoken to them. It also doesn't appear that Mr B had received any kind of paperwork or employment contract showing what he thought he'd been offered, or what he'd agreed to do in return, by the time he started making payments to the scammers. This, as well as having to pay to earn money in return, isn't a plausible scenario, so I don't think Mr B did enough to protect himself from financial harm.

With this in mind I think it's fair that Mr B and Wise share equal responsibility for Mr B's losses.

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.

Both parties accepted the findings set out in my provisional decision. So having

reconsidered everything, I've got no reason to depart from my original conclusions.

It follows that I uphold Mr B's complaint.

Putting things right

To put Mr B back in the position he'd have been in had Wise done what it should've, Wise needs to:

- Refund 50% of the payments Mr B made, from the third payment onwards, and;
- Pay 8% simple interest on each amount, from the date the payments left Mr B's account until the date of settlement*.
- Wise can deduct any payments Mr B received from the scammers from the refund, as long as it can prove that the payments were directly received from parties associated with this scam.

*If Wise considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one.

My final decision

I uphold Mr B's complaint against Wise Payments Limited and require Wise to put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 November 2024.

Sam Wade
Ombudsman