

The complaint

Mr H is unhappy that Wise Payments Limited (Wise) won't reimburse money he lost to a scam. Mr H is represented by a third-party claims firm, but I will refer to Mr H here.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr H fell victim to a task-based job scam in which he was required to rate products in exchange for commission. I'll refer to the company Mr H believed he was working for as "M".

Mr H was given access to an account with M on its platform, which he says appeared genuine. He was also added to a group chat with other "employees". He was asked to create accounts with genuine cryptocurrency platforms and told he would need to deposit his own funds into the platform to ensure the tasks were generated. Mr H has said he was reassured that his funds would be refunded to him along with commission.

The scammer provided Mr H with training and requested Mr H to send him screen shots to ensure he was doing things as instructed. Mr H was able to make a small profit following his training.

Mr H transferred payments from other accounts in his name (which I will refer to as "Bank H" and "Bank B"). He then made peer-to-peer purchases of existing cryptocurrency – in other words, Mr H appears to have made payments directly to another person who then transferred cryptocurrency to a blockchain address that he controlled. Once he'd obtained it, Mr H then transferred that cryptocurrency to the scammers.

Mr H has said he ran into problems with the tasks he needed to complete and was told he needed to add additional funds to his account with M for various reasons. Mr H continued to run into the same problems with his tasks and eventually realised he'd been the victim of a scam.

All the payments lost to the scam were sent between September and December 2023. Mr H has said he sent a total of €376,804.43 from his Wise account to the scammers. Mr H funded the scam by using his savings, taking out loans and borrowing from friends and family.

Mr H raised a complaint with Wise. It investigated the complaint and upheld it in part from the fifth payment made from the account. It offered Mr H €91,412.50 towards his losses. It advised that his banks, where he'd sent the funds from, had a better understanding of his actions and should share liability for his losses. It also thought that that Mr H should be held partly responsible for his actions. Mr H brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator agreed that Wise should have intervened from the fifth payment, but she didn't think an intervention from it would have made a difference to Mr H's decision to send the payments. She'd listen to calls Mr H had with Bank H and Bank B and believed that Mr H had provided inaccurate

information to ensure the payments were sent so she didn't feel that further intervention from Wise would have stopped him from sending the payments.

Mr H didn't agree with the outcome, so his complaint has been passed to me for review and a final decision.

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.

I'm sorry that Mr H has been the victim of a scam. I realise he's lost a significant sum of money and I don't underestimate the impact this has had on him. And so, I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr H but having done so, I won't be upholding his complaint for broadly the same reasons as our Investigator. I'll explain why.

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. It isn't disputed that Mr H knowingly made the payments from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Wise is expected to process Mr H's payments, and he is presumed liable for the loss in the first instance.

But in some circumstances, it might be appropriate for Wise to take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. This is to help protect customers from the possibility of financial harm from fraud. But I'd expect any intervention to be proportionate to the circumstances of the payment.

I don't think the initial payments leaving Mr H's account would have caused Wise sufficient concern which would require it to contact Mr H. They were relatively low value, so were very unlikely to flag as suspicious. The payments were also sent to individuals. Whilst we know that Mr H made these payments to buy cryptocurrency directly from these individuals (peer-to-peer), there was nothing to indicate to Wise that this was why Mr H was making the transfers. However, I agree that Wise should have intervened by the fifth payment (on 16 September 2023). This is because by this point Mr H had already sent a number of payments from his account in the same day.

But like the Investigator I am satisfied that intervention by Wise wouldn't have made a difference to Mr H's decision to continue sending payments. Mr H spoke to Bank H on 16 September 2023 (the day I would have expected Wise to intervene as discussed above). It recognised that some of the payments Mr H was making were high risk and provided Mr H with advice and warnings to try and protect him from being scammed. Mr H told Bank H he was making payments towards an investment. He also confirmed that the company he was making the payment to was FCA registered but the advisor at Bank H didn't think it was. She prompted him to do further checks on the company. She also provided advice on cryptocurrency investments scams, including the fact that fraudsters provide people with false documents and can take full control of cryptocurrency funds. She asked further questions about M and Mr H confirmed it was registered with the FCA. Mr H chose not to

send the payment being discussed and said he would transfer funds from his account at Wise instead. Mr H had incorrectly advised Bank H that M was FCA registered. He also didn't highlight that the payments he was making were for a job he had found online or that he was being guided by the scammers. This was despite discussing the payment in detail.

It's clear from messages with the scammers that Mr H was receiving advice from them during his call with Bank H. He asks the scammer if he should cancel the payment. They tell him he's done too many transactions that day and he should use his Wise account instead. He tells the scammer that Bank H has said he can move £25,000 from his account and that he is waiting for Wise to proceed on another payment. It's clear that Mr H was being heavily guided on how to make payments, including what to say and how much to transfer between his accounts and the cryptocurrency platforms. I can also see that Wise provided scam warnings on a significant number of payments where he chose "something else" as the payment purpose for nearly all of them. Mr H had the option to select "paying to earn money by working online" but he didn't select this option. So based on these circumstances, even if Wise had intervened further, I don't think Mr H would have highlighted to it that he was being guided or the true purpose behind the payments.

Mr H also had calls with Bank B where he provided incorrect information about the payments he was making. In these calls he told Bank B the loan he had taken out was to pay off his debts. This wasn't correct as he was using it to fund the scam. When another payment was stopped, Bank B explained it needed to ask further questions to ensure he wasn't falling victim to a scam. In this call Mr H advises Bank B that he wasn't asked to make the payment by anyone. Again, this was incorrect as the scammers were advising him to transfer cryptocurrency to them. When questioned about the debts he needed to pay off he explained that he had car loans and other debts during his time in another country which he wanted to pay off. It's clear that Mr H trusted what he was being told by the scammers about the job role and that he was willing to provide inaccurate information to multiple firms in order to get the payments processed. So, I don't think he would have revealed much about the circumstances around the payments, if Wise had intervened further. On balance, I believe that Mr H would have continued providing information in a way which allowed the payments to go through.

As explained above, I think that Mr H was under the spell of the scammers. He's explained that he used funds which were gifted to him for a house purchase. He also took out loans and borrowed from friends and family believing this was a genuine investment. When he ran into problems with moving the money he decided to transfer it to his other accounts and was taking direction from the scammers to ensure his payments were successful. He went to great lengths to fund the scam. From the scam chats it's also clear that Mr H was in regular contact with the scammers. So, on balance, I don't have enough to say that if Wise had intervened further, that he would have provided the true purpose behind the payments.

Wise has confirmed that it has already sent Mr H a payment to settle this complaint. And in the circumstances, I won't be asking it to do anything further.

I also can't see any reason which would suggest compensation is warranted in the circumstances of the complaint as I have not found anything to suggest Wise have acted incorrectly.

Could Wise have done anything to recover Mr H's money?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Wise could have done more to recover the funds after Mr H reported the fraud.

I can see that Wise attempted recovery of the funds sent to the individuals as part of his peer-to-peer payments, but given that these payments were in relation to genuine purchases of cryptocurrency, any recovery of funds wouldn't have been possible.

To summarise, I'm sorry Mr H was the victim of a cruel scam. I'm also sorry about the information he's shared with us about how the scam has impacted him and his family. I'm conscious he's been going through a particularly difficult time. But I don't think Wise can fairly be held responsible for his loss. And so, I can't tell it to refund Mr H's money in this case.

My final decision

I don't think Wise Payments Limited needs to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 29 September 2025.

Aleya Khanom
Ombudsman