DRN-5136524

The complaint

Mr S complains that Wise Payments Limited won't refund payments he says he made and lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary, and based on the submissions of both parties, I understand it to be as follows.

Mr S was contacted by a 'recruiter' via a messaging app about an online job opportunity. The purpose of the role was to assist hotel merchants by completing tasks online which consisted of completing reviews to increase their rankings.

Mr S says, he was sent the link for their website and it looked professional. He was also added to a group chat which consisted of the others completing the tasks for the role. So, this persuaded him that the opportunity was genuine.

So, Mr S took on the role and started transferring funds to the scammer's account. Mr S started off by transferring small amounts and was also able to make some small withdrawals. As the scam went on, Mr S was asked to increase the amount he was transferring. When he was no longer able to deposit further funds to complete the tasks, the scammer suggested he sold his house. At this point Mr S realised he had fallen victim of a task-based job scam. The transactions appeared on Mr S's statements as follows:

Date	Payment number	Amount
25 July 2023	Payment one	£278.45
25 July 2023	Payment two	£448.00
25 July 2023	Payment three	£1,476.14
25 July 2023	Payment four	£1,925.91
25 July 2023	Payment five	£2,940.39
25 July 2023	Payment six	£3,000.00
27 July 2023	Payment seven	£1,430.00
28 July 2023	Payment eight	£830.00
31 July 2023	Payment nine	£3,980.00
01 August 2023	Payment ten	£900.00
01 August 2023	Payment eleven	£1,500.00
04 August 2023	Payment twelve	£2,000.00
04 August 2023	Payment thirteen	£2,400.00
04 August 2023	Payment fourteen	£595.00
05 August 2023	Payment fifteen	£400.00

Mr S complained to wise, but Wise didn't refund any of the payments Mr S lost to the scam, as it didn't think it had acted unfairly. So, Mr S referred the complaint to our service. Our investigator looked into Mr S' complaint but he didn't recommend it be upheld. Mr S didn't agree so the complaint was passed to me to consider.

I issued my provisional findings on 12 June 2025 where I said the following:

"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 in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr S authorised the payments from his Wise account. Therefore, under the Payment Services Regulations and the terms of his account, Wise is expected to process Mr S' payments, and he is presumed liable for the loss in the first instance.

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 in July 2023 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 (among other things). 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;*
- *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 – (as in practice Wise sometimes does);*
- *have been mindful of – among other things – common scam scenarios, how the 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.*

So, the starting point here is whether the instructions given by Mr S to Wise were unusual enough to have expected additional checks to be carried out before the payments were processed. When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Wise to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

In this case, Mr S opened his account on 24 March 2013. Therefore, Mr S had established a payment history with Wise. Wise has said, based on this, his previous activity was comparable with the payments he made during the scam. I disagree, while I am satisfied Mr S had made payments of a similar value prior to the scam commencing, in my view, there was enough about the characteristics of transaction six and the activity on the account that ought to have been concerning such that wise ought to have considered if Mr S was at risk of financial harm. I say this because Mr S had made six payments that day, (totalling over £10,000) all increasing in value, sent to multiple third parties. As such, I think it's reasonable to conclude this was an unusual pattern of spending and out of character for Mr S, based on his typical account usage.

I have also considered, that prior to Mr S making payment six, he had disclosed to wise on previous payments he made that the reason for transferring the funds was 'Paying to earn money by working online'. I think Wise had sufficient reason by payment six to suspect Mr M was at significant risk of financial harm, as at this point, I am satisfied it demonstrated all the hallmarks of a job scam.

Mr S was asked to select the payment purpose. On six of the transactions Mr S had said

‘Paying to earn money by working online’ and off the back of that Mr S received the following warning:

“New Types of scams happen all the time. And its 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”

So, while I accept that Wise did provide a warning, as explained above, given what Wise knew about Mr S’ account activity, including multiple new payees, several payments increasing in value and significant increase of expenditure in one day, I think it is reasonable to conclude that a tailored warning would have been proportionate. Having considered the warning Wise gave, I don’t think it’s reasonable to conclude it constituted a tailored warning as it didn’t cover off the key features of a job scam. As such, it wouldn’t have resonated with

Mr S. It could be argued it actually offered Mr S reassurance that he wasn’t being scammed. I’ve gone onto think about if Wise had offered a tailored warning which covered off the key features of a job scam i.e. being randomly contacted via a messaging app, being asked to pay to get paid, reviewing online products and receiving small withdrawals, I think it would have alerted Mr S to the fact he could’ve been being scammed. I say this because this would have resonated with his own circumstances. And having read some of the scam chats which occurred prior to the sixth transaction, it is apparent Mr S had some mild concerns about the legitimacy of the role, whether his money was safe and the service he was provided from the ‘service agent assisting him’. So, on balance, I think it’s more likely Mr S wouldn’t have proceeded to make the payment(s) if Wise had issued a tailored warning in line with what I have outlined above.

I’ve also thought about whether Mr S did enough to protect himself from the scam and I don’t think he did. Although I appreciate Mr S believed the job opportunity was genuine, I think he ought reasonably to have had concerns about its legitimacy and shown greater caution before making the payments. This is because Mr M was contacted about the opportunity on a mobile messaging service app, which is unusual, and Mr S’ representative has stated to our service that at the time Mr S wasn’t looking for a job, this would have appeared somewhat out of the blue. Accompanied by the fact Mr S as an ‘employee’ was being asked to make payments in order to perform his role, which I think ought to have raised some concerns for Mr S, as this isn’t how legitimate job roles usually work.

I have also considered the concept of Mr S completing false reviews to falsely boost their marketability and the fact that this in itself doesn’t sound genuine. Mr S also made deposits for significant amounts of money without receiving any of the expected returns (while I acknowledge some small returns were received). Furthermore, while I think Wise didn’t do enough to protect Mr S from the scam, I do think (from reading the scam chats) that Mr S did show some concerns early on. So this, accompanied with the other red flags mentioned above, leads me to think it would’ve been reasonable to have expected Mr S to have carried out additional checks – such as researching these types of jobs/scams online – before making the payments, which he didn’t do.

While I accept Mr S didn’t do enough to protect himself from the scam, as I’ve explained, I likewise think Wise ought reasonably to have done more to prevent his losses too. I therefore think both parties are equally responsible for the loss Mr S suffered from the point of the sixth payment he made. And so, I think it would be fair and reasonable to make a 50% reduction in the award I’m directing Wise to pay to take account of Mr M’s contributary negligence in the circumstances of this complaint.

I have gone on to consider if Wise took reasonable steps to try and recover the funds once it was made aware of the scam. The normal procedure in the case of reported scam payments *would be for Wise to contact the receiving bank to request a return of the money. However, in this case, Wise was the receiving bank. Wise has provided evidence to show that by the time the scam was reported (22 August 2023) the funds had been transferred, so they couldn't be recovered. And due to nature of these scams, the funds are usually immediately removed from the beneficiary account.*

Putting things right

For the reasons I have explained above, Wise ought to have recognised that Mr S might have been at risk of financial harm from fraud from transaction six, made on 25 July 2025, of £3,000. As such, Wise should refund all the payments from and including payment six. This totals £17,035. However, I am mindful that Mr S also received some withdrawals totalling £574. So, Mr S' total loss equates to £16,461. Wise should pay 50% of this amount.

I've also considered whether there should be any additional interest awarded. Mr S originally said he took out loans and borrowed money from his friends – which will have to be repaid. Our service has asked for evidence in relation to the loans and Mr S has now confirmed the loans didn't fund the scam payment. So, in these specific circumstances, as Mr S didn't use his own funds to fund the scam, I don't think it would fair or reasonable to award any additional interest.

Mr S' representative responded and questioned the lack of interest awarded. The representative asked for further time to gather further evidence to demonstrate Mr S borrowed the funds from friends and family.

It also requested that Wise reinstate his account he held with it.

Wise didn't respond.

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 appreciate that Mr S has been in contact with the family members and friends to gather supporting evidence that he borrowed the funds. And while this evidence supports Mr S' new testimony, it doesn't demonstrate that the funds have been repaid. In fact, each conversation demonstrates that the family members and friends were still expecting the funds back and suggested Mr S hadn't repaid them. As such, it wouldn't be fair or reasonable to award interest for 'loss of use', when Mr S hasn't repaid his friends and family.

I appreciate Mr S has asked for his account to be reinstated with Wise but that wouldn't be for our service to consider at this stage. Mr S would need to raise this with Wise if he remained unhappy with their decision in relation to the account closure.

Therefore, it follows that my decision remains the same as outlined in my provisional decision.

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My final decision

My provisional findings is that Wise Payments Limited should refund Mr S in line with the redress I have explained above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 27 August 2025.

Jade Rowe
Ombudsman