

The complaint

Ms K has complained about Wise Payments Limited not refunding several payments she says she 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. In summary, Ms K fell victim to a job scam after receiving contact from what she believed to be a well-known recruiter. She says she was told she would be paid for completing a number of tasks, but she would also have to pay in funds to the task platform periodically, to unlock more tasks and receive payment. Ms K subsequently realised she had been scammed when she could not withdraw her profits, continued sending funds to release them and was then asked for even more money. Ms K sent funds in dollars and pound sterling between December 2023 and April 2024 to the scammers.

Our Investigator did not uphold the complaint because she did not think there were sufficient grounds for Wise to think that Ms K was at risk of financial harm when the payments were made. However, Ms K disagreed with our Investigator's findings as she believes Wise should have done more.

As our Investigator couldn't resolve the matter informally the case has been passed to me for 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Ms K has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Wise. It would only be fair for me to tell Wise to reimburse Ms K for her loss (or a proportion of it) if: I thought Wise reasonably ought to have prevented all (or some of) the payments Ms K made, or Wise hindered the recovery of the payments Ms K made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Wise treated Ms K fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Ms K's

complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Ms K made the payments herself and the starting position is that Wise should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Ms K did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Wise should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Wise that Ms K might be at a heightened risk of financial harm due to fraud or a scam.

I am aware that Wise did request confirmation of the reason for the transfer and highlight it could be a scam - which I consider to be an appropriate and proportionate action. Ms K selected 'Paying for goods and services' as the reason why she was completing the transaction. I've noted Ms K didn't realise there was a more suitable option to select. However, had she selected 'Paying to earn money by working online' she would have seen a more applicable warning. By selecting the reason she did, she inadvertently misled Wise as to the payment reason and stopped them showing her a targeted warning which may have prevented her losses.

Having considered Ms K's payments I agree with our Investigator's findings. I'm not persuaded that Wise should have been concerned enough to take further action to stop the payments. Ultimately, they did not appear to be of such a suspicious or unusual level to require it. I say this because the payments were not of such a value, or completed at such a frequency, that I would have expected Wise to have intervened further. The type of payments Wise is often used for can be different to banks and building societies. Often, the payments may well be in a different currency and/or sent to another country. Ultimately, the payments Ms K made at this point did not have any of the common characteristics to suggest she may be falling victim to a scam. Wise also did not have any account history to consider these payments against.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Wise to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I'm very sorry to disappoint Ms K. However, I don't think Wise should have prevented her from making the payments. So, it wouldn't be reasonable for me to ask it to refund the payments she made.

Recovery

Wise has said it attempted to recover the funds but none remained. Where a scammer obtains funds into their accounts it's not unusual for them to be moved within a short period of time to avoid them being recovered. Therefore, Wise Payments Limited could not have done anything further after Ms K alerted it and so I won't be asking it to do anything further.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 17 July 2025.

Lawrence Keath
Ombudsman