

The complaint

Mrs S has complained that Wise Payments Limited (“Wise”) failed to protect her from falling victim to an employment-based scam.

What happened

I issued my provisional findings on this complaint earlier this month. I gave both parties the chance to respond before issuing my final decision. Mrs S has responded to my provisional decision, but Wise hasn’t.

I’ve included an extract of my provisional decision below. I’ve then reconsidered my provisional findings in light of the response I received.

Extract of my provisional decision

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.

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

Mrs S explains that around July 2023 she’d signed up to various recruitment agencies as she was looking for an additional part-time job, so it didn’t seem unusual when she was contacted by an individual (“the scammer”) on a popular messaging application offering her an employment opportunity. Mrs S expressed an interest in the role and says the scammer explained that the job involved completing holiday reviews in return for commission. Mrs S was told she’d need to complete batches of 38 reviews and then she could withdraw her earnings. She was also told that she could complete “commercial” reviews, which although they’d appear to make her balance on the work platform fall into a negative position, she’d earn significantly more commission for completing these after restoring her balance.

Mrs S says the company’s website, and the systems used to show her work tasks and earnings, were extremely professional and had all of the characteristics she’d expect from a legitimate company. She also said once she’d logged into the review portal she could see the balance of the commission she’d earned.

As Mrs S completed the review tasks she was presented with several opportunities to complete the more lucrative reviews, and she consequently made 14 payments with a total value of £13,406.56 in order fund these reviews.

The payments Mrs S made were as follows:

	Date	Amount (£)
1	24/07/2023	50*
2	25/07/2023	46

3	25/07/2023	41*
4	26/07/2023	46.36
5	26/07/2023	145.81*
6	26/07/2023	14.39*
7	26/07/2023	127*
8	27/07/2023	300*
9	27/07/2023	184.93*
10	27/07/2023	526.07*
11	28/07/2023	1,334
12	28/07/2023	3,309*
13	28/07/2023	2,632*
14	29/07/2023	4,650*
Total		13,406.56

**Wise intervened in these payments*

Mrs S says she realised she'd been scammed when she received another commercial task, but she couldn't afford to restore her account to a positive position in order to carry out the task. She made a complaint to Wise, on the basis that it hadn't effectively intervened or warned her that she may've been falling victim to a scam when she made the previous payments. Wise says it recovered £41.30 from some of the recipients' accounts, and it also partially upheld Mrs S's complaint. It refunded £3,834.92 to Mrs S, comprising a 50% refund of payments 13 and 14, totalling £3,641 plus interest of £192.92, calculated from when the payments were made until 26 March 2024. Mrs S's remaining outstanding loss is £9,530.34.

Mrs S remained unhappy to she referred her complaint to this service.

Our investigator considered everything and thought the complaint should be upheld. She said she thought Wise should offer a full refund for payments 13 and 14 as she didn't think the 50% reduction Wise had applied was fair.

Wise didn't accept the investigator's opinion so the case has been passed to me to make a decision.

What I've provisionally 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.

Having done so I've reached a different outcome to our investigator, and I'm currently not minded to uphold the complaint. I'll explain why.

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 Mrs S authorised these payments from leaving her account. It's accepted by all parties that Mrs S gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Mrs S'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.

Wise says that on eleven occasions it asked Mrs S for the reasons she was making the payments and provided her with a list of options to choose from. Mrs S selected various reasons, which were "Making an investment", "Sending money to friends or family", and "Paying to earn money by working online".

Wise says that after asking for the purpose it then showed a specific series of warning screens, which asked Mrs S to answer questions specifically tailored to the type of payment being made. I can see Wise asked different questions depending on the payment purpose, such as by asking if she'd met the recipient in real life for the transfers she said were being sent to family or friends, and by confirming that nobody had unexpectedly contacted her to make an investment. On each occasion she was also given a message that "Scams can happen to anyone" with further information on how it can be difficult to reclaim money lost as part of a scam, with a highlighted option to "Cancel transfer" or a less prominent option to "Proceed anyway". On all occasions Mrs S chose to proceed to make the payment, and Wise followed her instructions and allowed them to be made.

For the first payment Mrs S selected the payment purpose as "Paying to earn money by working online". For the remaining payments, she selected other reasons, despite being given the option to select the same reason again. This option more closely resembles the actual reason Mrs S was making the payments, and had Mrs S chosen it, she would've seen specific warning messages related to this type of payment – which is well-known to be a scam. This also would've allowed Wise to understand the level of risk involved with the series of payments, as it could've used this information in combination with the other characteristics of the payments, such as the size and frequency of them. So although I appreciate Mrs S says she was told by the scammers which payment purpose to choose, she didn't give Wise the opportunity to "break the spell" by giving it inaccurate information when it intervened.

I've also considered the point at which the on-screen warnings Wise gave to Mrs S were no longer a proportionate intervention, given the other circumstances. And I think that point was reached by payment 13.

By the time Mrs S sent payment 13 their cumulative value had reached over £7,000 in one day. This, alongside the pattern of increasing payment sizes over the preceding days, means a proportionate intervention would've been for Wise to do more than give Mrs S an on-screen warning, no matter how specific. Wise should've considered a human intervention in which it could've probed Mrs S on the reasons and further details of the payments, and if it had done this, I think it's likely the scam would've been uncovered.

With this in mind I think it was right for Wise to uphold the complaint from payment 13 onwards and refund what Mrs S lost from that point.

Is Mrs S responsible for any of her losses?

In order to reach a conclusion on the point in dispute, around whether Wise was fair to apply a deduction to what it refunded Mrs S, I've carefully considered all of the circumstances of the case, as well as what's consistent with this service's approach to contributory negligence, and Wise's response to the investigator's opinion. Having done so, I think the responsibility for Mrs S's losses should be shared equally between her and Wise.

I say this because although I accept that Mrs S had signed up to various recruitment agencies as she'd been looking for work, but it's very unusual for a recruiter to contact a prospective candidate and offer them a job through a messaging app, without having ever spoken to them, or without any form of recruitment process.

I understand Mrs S said she researched the opportunity online and didn't find anything concerning about it, but I'm not aware that she received any kind of paperwork or employment contract showing what she thought she'd been offered, or what she'd agreed to do in return. This, as well as having to pay in advance to earn money, isn't a plausible scenario, and for these reasons I think Mrs S should've exercised more caution before making the payments she did.

I'm very sorry that Mrs S has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't currently think Wise is responsible for that, and I think what it has already paid Mrs S is consistent with what I'd have expected in the circumstances.

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 response to my provisional decision Wise said that:

- It would've expected a further intervention at payment 12, as Mrs S had sent 11 payments within 4 days at that point;
- Wise was aware of the existence of jobs scams by July 2023, when this scam took place. So it should've done more to prevent foreseeable harm to Mrs S.

I've carefully considered these points but I believe they were covered in my provisional decision, and I haven't been given any further information to change my thoughts here. For clarity I'll reiterate the key points.

Mrs S gave Wise incorrect information in relation to the purpose of the payments, so regardless of how well-known job scams were by the time this scam took place, Mrs S didn't give Wise the opportunity to fully understand the context, and therefore the risk she faced, as the purpose of the payments she gave Wise was incorrect.

In addition, whilst I understand Mrs S's representative may've expected further intervention before payment 12, showing a tailored on-screen warning was a proportionate intervention when taking into account all the other facts, including the cumulative value of the payments. This is consistent with this service's approach to scams of this nature.

So whilst I know Mrs S and her representative may not share my view, I don't agree that Wise should've done more to intervene at the point payment 12 was made, and I therefore don't require Wise to put anything right.

My final decision

I don't uphold Mrs S's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 15 December 2024.

Sam Wade
Ombudsman