

The complaint

Mrs I complains that Wise Payments Limited (“Wise”) won’t refund money she lost when she fell victim to a scam.

Mrs I is being represented by solicitors in this complaint.

What happened

The full details of this complaint are well known to the parties and have been previously set out by the investigator. Briefly, between September 2023 and March 2024, Mrs I sent nearly 60 payments totalling around £36,000 from her Wise e-money account. The payments were made to three different accounts which Mrs I understood belonged to a firm “W”, which claimed to provide immigration consultancy services including the provision of sponsorship certificates. The payments Mrs I made were consultancy fees for applicants, some of whom were her overseas family members and friends. Unfortunately, this subsequently turned out to be a scam.

Wise declined to refund Mrs I when she reported the scam. It said the payments didn’t stand out as unusual or out of character, and it provided scam warning on several occasions. Unhappy with this, Mrs I complained to Wise before referring her complaint to our service.

Our investigator wasn’t persuaded that Wise should have been concerned about the payments, given they weren’t so unusual in value and were spread out over several months. They acknowledged Mrs I’s reasons for selecting the payment purpose options that she did but concluded that, in the circumstances of what happened, the steps Wise took were proportionate.

Mrs I disagrees and has asked for an ombudsman’s 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’d like to start by saying I’m sorry to hear about Mrs I’s circumstances and how this incident has impacted her. Falling victim to a scam can be distressing and have significant emotional consequences. I’d like to reassure Mrs I and Wise that although I’ve only summarised the background above, so not everything that’s happened or has been argued is detailed, I have read and considered their submissions in their entirety.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I’ve reviewed the previous activity on Mrs I’s Wise account and the payments she made to the scam. Although her account has been opened for around a year before the scam

payments started, there wasn't a lot of activity during that time. But the transactions that were made had the same pattern of funds being paid into the Wise account before being sent on to external accounts. This isn't unusual for e-money accounts which are generally set up with the purpose of sending and receiving money, and the type of payments they're used for tends to be somewhat different to traditional banks.

I haven't seen any other factors at play here such that, in my view, Wise should have been concerned and ought to have taken additional steps when Mrs I authorised the scam payments. The individual amounts were in keeping with the previous account activity, and the payments were spaced out over the first few months. It wasn't until February 2024 that multiple same-day payments began to be made. But by then, the earlier scam payments had formed part of the account spending activity. As such, when later payments were made to a different account, other than the new beneficiary there was nothing odd or unusual about the payments. There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

It's worth adding that Wise did take additional steps several times and asked Mrs I to select the payment purpose reason before providing a scam warning tailored to the purpose selected. The information Wise has provided shows that it did this on more than 20 occasions. Like the investigator, in the circumstances of this case and the payments involved, I consider this additional step to be proportionate to the risk the payment presented. Wise then provided a scam warning which covered the hallmarks of the possible scam risk identified based on Mrs I's selection. I accept her explanation for why she selected the payment purpose options that she did, i.e., either 'goods and services' or 'friends and family'. But Wise's warnings were designed to provide the key features of scams associated with these payment purposes, they couldn't possibly have covered every scenario.

So, while it's understandable that the warnings provided didn't resonate with Mrs I, I don't consider Wise needed to do anything more than it did on the occasions it took additional steps. What this means is that in the circumstances of what happened here, I don't consider Wise acted unfairly or unreasonably in processing the transactions which are being disputed.

Once the payments were processed, Wise couldn't have cancelled or stopped them. I've considered whether Wise took appropriate steps to attempt recovery when it was notified about the scam. It's told our service that recovery was unsuccessful as funds had already been moved out of the beneficiary accounts by the time Mrs I reported the scam. This isn't surprising given there was a gap of nearly two months between Mrs I's last scam payment and when the scam was reported. It's common for scammers to move funds out of the beneficiary account as soon as possible so as to avoid the money being recovered by the sender's account provider.

In conclusion, I realise that this outcome will come as a significant disappointment to Mrs I. Despite my natural sympathy for the situation in which she finds herself due to the scammer's actions, for the reasons given, it wouldn't be fair of me to hold Wise responsible for her loss.

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 Mrs I to accept or reject my decision before 6 August 2025.

Gagandeep Singh
Ombudsman