

The complaint

Mr Q is unhappy Wise Payments Limited (“Wise”) won’t reimburse him for the money he lost when he fell victim to a scam.

Mr Q has brought his complaint via a representative.

What happened

The details and facts of this case are well-known to both parties, so I don’t need to repeat them at length here.

In short, Mr Q was scammed in the past. In late 2022 he was contacted by a company that I will call B that said it could recover the money he lost in the previous scam, if he paid a number of fees.

Subsequently, in February 2023, Mr Q says he made three payments to B on the same day. The first 2 were via a crypto exchange and the final one was sent to a personal account. From the chats between him and the scammer, it looks to have been a peer-to-peer crypto exchange.

Mr Q raised a complaint with Wise, shortly after the payment, saying that he did not authorise the payments. Wise declined this complaint. Then, more recently, he complained about the payments saying that Wise should have prevented them and he requested the transactions be refunded. It declined to do this.

One of our investigators looked into this matter and he thought that Wise should have intervened more than it did, but he did not think that this would have stopped the scam. He said this because of the answers Mr Q provided when questioned by Wise about the payment purposes. He also reached this conclusion due to the answers Mr Q gave during a call on 1 April 2023 with the account provider from which the funds were sent to Wise. So he did not uphold the complaint.

Mr Q did not agree and therefore this complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn’t in dispute that Mr Q authorised the disputed payments he made from his Wise account. The payments were requested by him using his legitimate security credentials provided by Wise, and the starting position is that Wise ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Wise should have done more to prevent Mr Q from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, I think that Wise should have intervened when Mr Q made the second payment on 16 February 2023 and provided a general warning about the dangers of crypto scams - regardless of what he said the payment was for. But I don't think that this would have resonated with Mr Q, as the scam he was falling for was a recovery scam.

When the next payment was made, I think that a human intervention would have been more appropriate. But when a human intervention took place with a different account provider, Mr Q said he was transferring funds to benefit from a better interest rate and that he had not opened account 2 on the advice of a third party. This is despite him actually sending funds to account 2 in order to recover funds from a previous scam.

Also, when asked about the reason for payment 3, he said it was for friends and family, when in fact it was part of the scam. This suggests that, had Wise asked questions about the payments, Mr Q would have likely given misleading answers designed to make sure that the payments went through. So I don't think that Wise could have uncovered or prevented the scam regardless of how it intervened.

I also think that, had Wise stopped the payments, Mr Q would have found a different way to send the funds to B. This is demonstrated by Mr Q opening a new account to send funds to B, after his Wise account was closed.

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

I've also thought about whether Wise could have done more to recover the funds Mr Q. Wise are not part of the contingent reimbursement model. I also don't think the funds could have been recovered from the crypto exchange as the funds were sent on to the scammer.

The final transaction seems to have been a peer-to-peer crypto transfer. So the funds can't generally be recovered as the beneficiary is not part of the scam. Even if the final transaction was a transfer, the scam was first reported around 7 days after the transfer. So the funds would most likely have been moved on by then, so again I don't think there would've been any money left to recover.

So overall I don't think that the funds could have been recovered via other means.

I appreciate this will come as a disappointment to Mr Q, and I'm sorry to hear he has been the victim a scam again. However, I'm not persuaded that Wise can fairly or reasonably be held liable for the losses that he said he incurred in these circumstances.

My final decision

Because of the reasons given above, I do not uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 27 June 2025.

Charlie Newton
Ombudsman