

The complaint

Mrs J complains that Wise Payments Limited won't refund money she lost when she was a victim of a scam.

Mrs J is represented by a firm I'll refer to as 'R'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2023 Mrs J fell victim to task-based job scam. She was contacted on an instant messaging app and offered a remote-based job opportunity that involved reviewing movies, whereby she would earn commission for completing sets of tasks. The job however required Mrs J to deposit funds into her account – with the scammer assuring she would receive it back, along with the commission, on completion of a set.

Mrs J made the following successful payments as part of the scam:

Transaction Date	Transaction type	Payee	Amount
18 December 2023	Fund transfer	V	£50.33
20 December 2023	Fund transfer	VS	£50
20 December 2023	Fund transfer	BK	£90
20 December 2023	Fund transfer	BK	£79
21 December 2023	Fund transfer	KK	£50
21 December 2023	Fund transfer	KK	£197
21 December 2023	Fund transfer	EG	£470
21 December 2023	Fund transfer	TZ	£1,259
		Total	£2,245.33

Mrs J received the following credits:

Transaction Date	Amount
18 December 2023	£27
18 December 2023	£102
19 December 2023	£153
20 December 2023	£342
Total	£624

This puts Mrs J's total loss, from her Wise account, to £1,621.33.

Mrs J realised she'd been scammed when, rather than receive a return of her deposited funds and earnings, further payment demands were being made by the scammer.

R complained to Wise, on Mrs J's behalf, in May 2024. They said Wise didn't do enough to protect Mrs J from the scam – as they ought to have identified the payments as unusual, carried out further checks before processing them and provided relevant scam warnings. If this happened, the scam would've been uncovered and Mrs J's loss avoided. To settle the complaint, they said Wise should fully refund Mrs J and pay 8% interest.

Wise didn't uphold the complaint. They explained the obligation of ensuring the legitimacy of the recipient on any given transaction lies with the sender of the payment. And they warned Mrs J that some of the transfers were at risk of being a scam at the time. Mrs J advised the transfers were for the purpose of 'friends and family', and they explained it might be difficult to cover the funds in case of fraud. Wise said they completed the transfer orders as directed, and therefore fulfilled their contractual obligations. But they noted there was a delay in returning funds remaining in Mrs J's account, and so they offered £25 compensation to recognise this.

The complaint was referred to us, but our Investigator didn't think Wise had to do anything further. She said Wise did carry out additional checks before processing five payments, asking Mrs J for the reason for the transfers – to which she selected 'friends and family'. Following this, Wise provided warnings that included "*stop – this sounds like a scam*" but Mrs J decided to proceed. Our Investigator said that, by Mrs J not selecting the most accurate payment option, Wise weren't given the opportunity to provide more appropriate warnings to Mrs J's situation. And so, our Investigator thought Wise's interventions before processing the payments were proportionate to associated risks in the circumstances. But she also noted that Mrs J was being guided by the scammer – with clear instructions being provided on how she should process the transactions. Our Investigator also didn't think Wise could've done anything to recover the funds.

R disagreed. In short, they said:

- They disagreed that Wise offered effective warnings to Mrs J.
- Wise should've made direct contact with Mrs J to establish the purpose of the payments. If they'd done so, they would've uncovered the scam.
- There were multiple payments on the same day – a common tactic used by scammers. Wise should've been alert to this kind of payment profile.
- Mrs J has confirmed that, if Wise had spoken with her, she would've explained the situation – thereby allowing Wise to identify the scam.
- Wise should've recognised Mrs J was vulnerable – due to not having a permanent job at the time as she was an agency worker.
- Reimbursement should be provided due to Mrs J's vulnerability as per the Contingent Reimbursement Model (CRM) code.

Our Investigator considered what R said but her position didn't change. She emphasised the low value of the payments as a reason why she wouldn't have expected Wise to have intervened further with the payments. And she noted that there wasn't anything to show Wise were aware Mrs J had a vulnerability.

The matter has been passed to me to decide.

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 sorry Mrs J has been the victim of a scam, and I don't underestimate the impact this has had on her. But while I'm sympathetic to Mrs J's circumstances, I must consider whether Wise is responsible for the loss she has suffered. I know this won't be the outcome Mrs J is hoping for but, for similar reasons as our Investigator, I don't think they are. And so, I don't think Wise has acted unfairly by not refunding the payments. I'll explain why.

I've thought about the CRM code which can offer a potential means of obtaining a refund following scams like this one. But as Wise isn't a signatory of the CRM code, these payments aren't covered under it. I've therefore considered whether it would be otherwise be fair and reasonable for Wise to reimburse Mrs J.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mrs J knowingly made the payments from her account – albeit under the direction of the scammer – and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Wise are expected to process Mrs J's payments and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Wise did carry out additional checks before processing five transactions – including the first three payments. This consisted of Wise asking Mrs J the purpose of the payment, and on each occasion, she selected 'Sending money to friends and family'. This was despite there being a more accurate option available – that being 'Paying to earn money by working online'. Unfortunately, due to Mrs J selecting an inaccurate payment purpose, Wise were prevented from knowing the true surrounding circumstances of the payments. It also led to their further questioning/warnings being tailored towards the risks associated with that payment purpose – for example, impersonation scams. Naturally, this wasn't relevant to Mrs J's situation, but I can't fairly hold Wise responsible for that. If Mrs J had provided the accurate payment purpose, Wise would've been able to provide more relevant questioning/warnings to her situation.

I think the additional checks Wise undertook, in the form of asking automated questions following Mrs J's payment purpose selection, was appropriate and proportionate to the risks associated with the payments at the time. That's because the transactions were all low value – with only one exceeding £1,000. So, I don't think the payment activity alone was suspicious enough to warrant a greater level of intervention.

But for the sake of completeness, based on Mrs J's answers to Wise's questions, arguably, Wise could've done more before processing the payments – such as reaching out directly to Mrs J to better understand the surrounding circumstances of why she was making them. But even if they had done this, I'm not persuaded it would've made a difference. This is because, from Mrs J's chat with the scammer, and her interaction with another EMI provider involved in the scam, it's clear that the scammer was guiding Mrs J on how to process the transactions to ensure they were successfully made – and she has confirmed to our service that the scammer told her to select 'friends and family' when making the Wise transactions. From this, it's evident that Mrs J was willing to provide inaccurate information to both Wise and the other EMI provider. So, given I consider Mrs J was heavily under the scammer's

influence, and to the degree whereby she was following their instructions to mislead her account providers, I think it's most likely that any further questioning from Wise wouldn't have led to the scam being uncovered. On balance, I think it's more likely Mrs J would've sought the scammer's guidance on how best to respond and followed their instructions – thereby withholding the true circumstances from Wise. Because of this, I can't reasonably conclude that Wise could've prevented Mrs J's loss.

I've considered R's point about Mrs J being vulnerable to the scam. But while Wise should be on the lookout for customer vulnerabilities, so they can provide effective protection against scams, I don't think there was enough reason to suspect that here. And I haven't seen anything to show Mrs J informed Wise that she had a vulnerability. Considering this, I remain of the view that Wise's additional checks were proportionate to the risks associated with Mrs J's payments and that they couldn't reasonably have prevented her loss.

I've considered whether, on being alerted to the scam, Wise could reasonably have done anything more to recover Mrs J's losses, but I don't think they could. This is because the disputed payments were reported as a scam about five months later – and funds are typically immediately withdrawn by scammers. Nevertheless, Wise did contact the beneficiary banks to try and recover the funds, which is all they could do in the circumstances, but this was unsuccessful.

On a final note, I'm aware Wise has recognised they delayed returning funds to Mrs J that remained in her account. And they offered £25 for this. I think this is a fair amount and so I won't be increasing this further.

I have a great deal of sympathy for Mrs J and the loss she's suffered, as I appreciate it is a significant sum of money to her. But it would only be fair for me to direct Wise to refund her loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 7 August 2025.

Daniel O'Dell
Ombudsman