

The complaint

Ms C complains that Wise Payments Limited didn't do enough to protect her from losing money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In 2023 Ms C says she was the victim of an advance fee job scam. As a part of this she made a number of payments from her Wise account which she says were lost to the scam. The relevant payments are listed below.

Payment Number	Date	Amount	Beneficiary & Notes
1	23 October 2023	£50	W
2	24 October 2023	£50	O, recovered and refunded by Wise.
3	24 October 2023	£45	T
4	25 October 2023	£50	R
5	25 October 2023	£89	P
6	25 October 2023	£79	Y
7	26 October 2023	£50	A
8	26 October 2023	£206	Y2
9	26 October 2023	£11	Y2
10	26 October 2023	£525	Y2

This leaves Ms C with a loss of around £1,100 which she is seeking from Wise. Ms C complained and Wise didn't think they'd done anything wrong. Their complaint response highlighted that they'd been able to recover a further €25.85 which they were attempting to return to her. They also said Ms C had an outstanding verification requirement that she needed to complete within their app.

Ms C wasn't happy and she referred the matter to our service. Ultimately one of our Investigators didn't recommend that the complaint should be upheld. Ms C disagreed and asked for an Ombudsman to review her complaint.

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've reached the same overall outcome as our Investigator and for largely the same reasons. I know this will be disappointing for Ms C, so I'll explain why.

Firstly, I accept Ms C has been the victim of a scam and that she didn't intend to lose the money she did. But even though she might have been tricked, coerced, and put under

pressure by the scammers, this doesn't mean the payments were unauthorised. Ms C doesn't dispute instructing the payments herself. I also accept what Ms C has told us about her difficult personal circumstances and health problems around the time of the scam. But being the victim of a scam in 2023, doesn't automatically entitle Ms C to recovery of her loss from Wise. So despite my natural sympathy for Ms C being a victim in this way, my role requires that I remain impartial. And it would only be fair and reasonable for me to direct Wise to pay further redress if they have failed in such a way that can fairly be said to have caused Ms C's loss (or a part of it).

But just because Ms C authorised the payments, this isn't the end of the story. Wise should still do what they can to protect their customers from fraud, scams and the misappropriation of funds. I've looked at the statements for Ms C's Wise account which go back to 2019. And whilst the account hadn't been particularly frequently used shortly before the scam, there had previously been larger payments made from the account. Examples of these include multiple payments for thousands of euros across 2019 and a payment for around €10,000 in 2020. Further to this throughout 2021, 2022 and prior to the scam in 2023 there were many payments with values in the hundreds of pounds. In this context, I don't think the payments I've listed in the table above (the largest of which was for £525) would've stood out as so unusual, out of character or indicative of potential fraud that I'd have expected Wise to have done more before processing them.

That being said, Wise say that Ms C was asked for the purpose of several of the payments (2,3,5,6,7,8 & 10) at the times of processing them. And they have evidenced that on each occasion Ms C selected 'something else' and that this would've then allowed a free text option for Ms C to have input more detail (but this wasn't completed). Wise then say Ms C was asked two further questions, specifically:

"Is someone rushing or pressuring you into making this transfer?" and "Does what you're paying for sound too good to be true?"

Most of the time Ms C answered no to these questions, but for payments 3 and 5 she responded yes to the question about things appearing too good to be true. And for payment 6 she answered 'yes' that someone was rushing or pressuring her to make the transfer. Wise say that for all the payments where questions were asked, a warning was displayed which said *"Scams can happen to anyone. New types of scams happen all the time. And it's hard to get money back once you send it. So, while your answers don't suggest this is a common scam, talk to someone you trust first. A second opinion can help you send safely."* There was a link to more information about scams and the option to continue with the payment or to cancel it.

I agree with our Investigator that I don't think Wise needed to do more than they did in relation to payments 3 and 5. Whilst Ms C had said what she was buying did seem too good to be true, she also answered that she wasn't being pressured or rushed. And given the payments were for £45 and £89 respectively, and a warning about scams was provided, I think this was a proportionate response to the risk presented by each of these payments.

In the circumstances of this complaint, I also agree that when Ms C told Wise that she was being pressured or rushed into payment 6, that they ought to have identified that she might be at risk of financial harm (even though the value of this payment was relatively low at £79). Being rushed or pressured into a payment is a very common factor in a great number of scams, something Wise would've known at the time. And whilst I accept the above warning would have also been displayed, I think Wise should have done more to satisfy themselves that Ms C wasn't at risk of financial harm before processing the payment.

So I need to go on and think about what would have happened if Wise had asked more questions (as I think they reasonably should have). Wise say that the options presented to Ms C for her payment purpose were:

- Sending money to yourself
- Sending money to friends and family
- Paying for goods or services
- Paying a bill (eg utilities or tax)
- Making an investment
- Paying to earn money by working online
- Something else.

In June 2024 our Investigator asked Ms C why she answered 'something else' when the option about paying to earn money online likely would've been more appropriate. Ms C responded and said: *"To the best of my knowledge there is no particular reason for that choice. I am not very familiar with the Wise app, therefore, I just clicked on something... Furthermore, at this time everything happened very quickly and the scammers were instructing me what to do, while I was not well health wise."*

However, more recently in an email dated 7 November 2024 Ms C has also said: *"Because I was unaware that I was involved in a scam, I chose the most appropriate option available at the time to categorize the transaction, which was marked as "something else". At that time an option specifically identifying a "job" was not available. This is an essential detail in my defence, as the current pop-up may be a new security measure implemented since then"*.

I'm more persuaded by the evidence from Wise and I think that the option to select that the payment was to make money online would've been displayed at the relevant time. I also think it's more likely than not that Ms C was being guided to an extent as to what to say as she initially said in June 2024. This is further supported by a call I've listened to between another of Ms C's banks 'L' and her around the time of the scam. The context of this call is that L intervened in a £50 payment Ms C made from her account with them to her Wise account – this payment took place on 23 October 2023. The same amount was then sent on from the Wise account and lost to the scam the same day (payment 1). During this call Ms C told L that the purpose of the transfer was to move it to Wise for 'savings'. By Ms C's own testimony this wasn't correct and as I've set out the payment was promptly moved on as part of the scam.

Taking all of this together, I'm not persuaded that even if Wise had asked some further questions of Ms C in relation to the payment, I don't think this would have resulted in the discovery of the scam at that time. Given how Ms C responded to L and the payment purpose she selected, I think it's more likely than not that she would have responded in a way that would have not unreasonably reassured Wise in relation to the £79 payment. As such, even though I think Wise ought to have done more here, for the reasons I've set out, I don't think this would have resulted in Ms C ending up in a different position. And so I'm not going to tell Wise they need to do more on that basis.

I've next gone on to look at the steps Wise took when they were put on notice that the payments Ms C had made were as a result of a scam. Wise were able to recover the £50 from payment 2 and a further amount of around €26 which they have recovered but not yet returned. Wise have said if Ms C provides them with the details for an external account, they will make this payment. I think that is fair, I don't think Wise are at fault for not returning this sooner and if Ms C would like to receive this amount, she should contact Wise. I'm also satisfied there weren't errors by Wise but for which more money would've been recovered. It

is common in scam cases that the money is moved on very promptly after payments are received.

Ms C has alleged that there wasn't a 'hotline' to report the scam to Wise that was available 24 hours a day. She says this contributed to her loss by hindering recovery efforts. Wise have confirmed that the option exists within their app to report payments 24 hours a day, and that this was the case at the relevant time. So I don't agree that Wise didn't provide an option for payments to be reported at any time.

I'm sorry to hear of the impact being a victim of a cruel scam has had on Ms C. But as I'm not persuaded Wise are responsible for failures that caused the outstanding loss (or a part of it), or that hindered its recovery, there isn't a reasonable basis upon which I can direct them to do more to resolve this complaint.

My final decision

For the reasons outlined above, 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 C to accept or reject my decision before 13 February 2025.

Richard Annandale
Ombudsman