

The complaint

Mr P complains that Wise Payments Limited (Wise) won't refund money he lost when he was a victim of a job scam.

What happened

The background to this complaint is well 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 reasons for my decision.

Mr P received a text message, that we now know to be from a scammer. The scammer introduced themselves to be a recruiter that was offering a remote working job opportunity, and asked Mr P if he would be interested. Mr P confirmed he would be. As a result, he was contacted by the scammer on an instant messenger app whereby further details were provided.

The scammer told Mr P the job opportunity involved helping hotels enhance their visibility and reputation to boost the volume of travellers staying in their hotels. And he could earn a minimum daily commission of £40-£60. Mr P was provided with a link to the scammer's platform which included registration instructions.

The scammer convinced Mr P that to receive the tasks, he needed to carry out the job, he would initially need to buy the tasks and his funds would be returned once the tasks were completed, along with his commission earned. As Mr P believed the job opportunity was genuine, he made the following payments to unknown third parties:

Date and time	Transaction type	Payee	Amount
10 November 2023 @ 10:40	Faster payment outwards	Payee 1	€346
10 November 2023 @ 11:00	Faster payment outwards	Payee 2	€493
10 November 2023 @11:20	Faster payment outwards	Payee 3	€1,462
10 November 2023 @ 12:29	Faster payment outwards	Payee 3	€3,762

Our Investigator considered Mr P's complaint and didn't think it should be upheld. He explained that although he recognised Mr P made the payments as a result of a scam, based on the information provided he didn't feel Wise should reasonably have been expected to prevent this.

The Investigator said Wise intervened at the time of the transactions, and provided

appropriate warnings, including asking Mr P to select the purpose of the payments from a list of options. Mr P didn't provide an accurate answer as he selected *"sending money to friends and family"*, as a result, Wise couldn't provide tailored warnings relevant to job scams. Wise showed Mr P appropriate warnings according to the payment purpose selected. The Investigator said, as Mr P didn't answer the questions correctly, Wise didn't have the opportunity to provide tailored warnings for the true purpose of the payment. So, the Investigator didn't feel Wise did anything wrong by not stopping the payments.

Mr P asked for an Ombudsman to make a final decision, so the complaint has been passed to me to consider.

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.

It has not been disputed that Mr P has fallen victim to a cruel scam. The evidence provided by both Mr P and Wise sets out what happened. What is in dispute is whether Wise should refund the money Mr P lost due to the scam.

Payment Service Providers (PSP's) have a duty to protect against the risk of financial loss due to fraud and / or to undertake due diligence on large transactions to guard against any financial crime from taking place.

The question here is whether Wise ought to have identified Mr P was at risk of financial harm from fraud and intervened when Mr P was making the payments. And if it had intervened, would it have been able to prevent the loss Mr P suffered as a result.

The payments that Mr P made in relation to the scam went to other individuals. And so, on face value, there wouldn't have been anything to indicate to Wise that the payments were being made in relation to a job scam. Particularly as job scams often involve crypto, which has a known fraud risk at this time, but these payments wouldn't have been identifiable to Wise as such. Wise have said, based on the limited activity on Mr P's account for the year prior to the scam, they didn't have any knowledge of Mr P's usual financial habits. As a result, they couldn't have known that Mr P's actions were out of character for him. Wise have also mentioned it is quite common for users to open a Wise account and make multiple transfers to new recipients, so this wouldn't be considered as unusual activity.

The information Wise have provided shows that three of the four payments were flagged, and Mr P was asked to confirm if he wanted to go ahead with the transfer via the following question:

"Protect yourself from scams"

This could be a scam. Tell us what this transfer's for, and we can give you advice.

What's this transfer for?

Mr P was presented with various options via a drop down menu, which included, *"paying to earn money by working online"*, *"paying for goods and services"*, *"paying friends and family"* etc. Mr P selected *"paying friends and family"* on each of the three payments which were flagged by Wise and decided to continue with the transfers.

Mr P had the option of selecting *"paying to earn money by working online"*, however, as he selected the incorrect reason for the transfers, he was shown warnings which didn't relate to

the purpose of the transactions. And so, Wise couldn't provide him with tailored warnings in relation to the true nature of his payments.

I've thought about whether Wise should have taken additional steps beyond what they did, prior to processing the payments. Overall, I'm satisfied that Wise's questions were clear, and Mr P selected "*Paying a family member or friend*" as the purpose of the payments – which wasn't true and naturally generated scam warnings associated with that type of risk, so it wasn't particularly relevant to Mr P's circumstances.

Mr P has said the warnings Wise provided were ineffective and misleading due to sophisticated scams involving psychological manipulation, whereby victims are coerced or convinced to provide misleading or inaccurate information to the bank, which Mr P said was the case in his situation - as he'd been convinced by the scammer he was engaging in a legitimate transaction, which Mr P said influenced his responses to the prompts from Wise.

I appreciate Mr P has said based on the above it is unreasonable to place the entire burden of identifying a scam on the customer. However, I feel the warnings Wise displayed were sufficient and proportionate to the identifiable risk in relation to the payments made by Mr P. As Mr P had been convinced by the scammer he was engaging in a genuine transaction, I would've expected him to answer the questions truthfully as he didn't have any concerns about the nature of the payment. But even if he was asked to pick different answers to what the payment was actually for, I don't think it would be fair or reasonable to hold Wise responsible for that - as I don't think Wise had sufficient reason to suspect that Mr P was being coached to mislead them.

Finally, I don't think Wise could've done anything more to try and recover the money Mr P lost to the scam. This is because no funds remained in the beneficiary's accounts at the point Mr P reported the scam. I have a great deal of sympathy for Mr P and the loss he's suffered. But it would only be fair for me to direct Wise to refund his loss if I thought they were responsible for it. For the reasons I've explained, I don't think Wise is.

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 Mr P to accept or reject my decision before 7 January 2025.

Israr Ahmed
Ombudsman