

The complaint and what happened

Mr C complains that Wise Payments Limited (“Wise”) won’t refund money – around £4,500 – he lost when he fell victim to an employment scam in December 2022.

Our investigator didn’t uphold the complaint. They didn’t think any of the payments looked suspicious such that Wise ought to have made additional checks before processing any of them. They noted that Wise did ask for the payment purpose, but each time Mr C selected ‘friends and family’.

Mr C’s representative has asked for the matter to be referred to an ombudsman. In summary, the representative states that Mr C doesn’t recall selecting that payment purpose and Wise should have provided a more effective intervention such as scam warnings and questions.

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 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 Mr C’s account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I’m not persuaded that Wise ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr C before processing them.

As the investigator noted, Wise did ask Mr C for the payment purpose. I’ve carefully reviewed Wise’s complaint file which our service received after the investigator’s assessment. I know Mr C says he can’t recall selecting friends and family as the payment purpose, but I’m satisfied that this is what he did.

Considering the payments went to individual personal accounts, and some credits were also received from the beneficiaries, Wise couldn’t reasonably have known that the payment purpose Mr C selected didn’t match what he was doing. As there are no other concerning factors about the disputed payments, I can’t fairly conclude that Wise should have additional steps before processing them.

Thinking about recovery next, from the information Wise has provided, I can see that Mr C reached out to it within a few hours of making the final scam payment. He said he believed his account has been compromised and there had been a lot of transactions which he didn’t recognise. Wise replied within minutes and asked him to provide further details, including the list of transactions he didn’t recognise. But it didn’t hear back for a few days. By then, no funds remained in the beneficiary accounts. This isn’t unusual, given scammers move funds quickly to avoid any recall attempts by the sending account provider.

In summary, while Mr C has undoubtedly been the victim of a cruel scam, I don't find there were any failings on Wise's part that would lead me to uphold this complaint.

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 Mr C to accept or reject my decision before 7 March 2025.

Gagandeep Singh
Ombudsman