

## The complaint

Mr N is complaining that Wise Payments Limited didn't do enough to prevent him from making payments to an investment scam.

The complaint is brought on his behalf by a professional representative.

## What happened

The circumstances of this scam are well-known to both parties so I won't go into detail here.

In short, in 2023 Mr N fell victim to a cryptocurrency investment scam after corresponding with someone he met online. As part of the scam, Mr N opened an account with Wise. He says he made the following payments to different individuals from his Wise account.

Payment date	Payment type	Amount (in GBP)
7 August 2023	Transfer	800
1 September 2023	Transfer	3,000
2 September 2023	Transfer	5,000
29 September 2023	Transfer	1,100

Mr N realised he'd been scammed when he was asked to make further payments to withdraw the funds. He said he reported the scam by email in November 2023, but Wise told him they couldn't help. He complained to Wise, through his representative, in January 2024.

Wise didn't uphold Mr N's complaint, and he brought it to the Financial Ombudsman. Our Investigator didn't think his complaint should be upheld, because she didn't think Wise ought to have done anything else to intervene in the payments before processing them.

Mr N didn't agree, so his complaint has been passed to me for review and a 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'm not upholding Mr N's complaint – for the same reasons as the Investigator.

It's not in dispute that Mr N authorised the payments. And Wise had a duty to act on his instructions. But in some circumstances a financial business should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or otherwise looks characteristic of fraud. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Electronic Money Institutions such as Wise process high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Mr N had opened his account with Wise shortly before the disputed payments. This means Wise would have been relying broadly on generic indicators of fraud risk as they wouldn't have known what might be normal for Mr N's account at the time.

And looking at the value, destination and frequency of the disputed payments, I wouldn't have expected Wise to have intervened here. The four payments were spread over a seven-week period, and didn't escalate in frequency or value in a way which can sometimes indicate a scam is taking place. By August 2023 Wise would have been aware that scams involving cryptocurrency are increasingly prevalent. But these payments were made to buy cryptocurrency from individuals rather than directly to a cryptocurrency provider, so I wouldn't have expected Wise to have been able to identify that they were related to cryptocurrency.

While I understand they represented a significant sum to Mr N, the individual payments weren't of a value where I'd expect Wise to have been concerned about the risk of significant financial harm to Mr N, in the absence of other concerning factors in terms of the pattern or destination of the payments.

Wise has told us that it did ask Mr N for the purpose of the payments. It's shown us that Mr N selected the payment purpose as "*friends and family*" for all four of the payments. And it's shown us an example of the warning Mr N would have received based on this payment purpose, which alerted him to consider if he'd met the payee in real life or if they'd asked for money unexpectedly.

The warning didn't appear to resonate with Mr N; whilst it did warn him not to send money to someone he hadn't met in person, it wasn't tailored to the type of investment scam he was experiencing. But I don't think Wise ought to have done any more to warn Mr N about making the payments – what Wise did here was proportionate to the risk it had identified, from the payment purpose Mr N had selected.

Overall, there wasn't anything about the overall circumstances of the payments – or the answers Mr N gave when it asked for the purpose of the payments - that I'd have expected Wise to have been concerned about, such that it ought to have taken further steps to intervene to warn Mr N before processing the payments. So, I've not found that Wise ought to have done any more to prevent him from sending funds to the scam.

There are industry standards around attempting recovery of funds where a scam is reported. Generally, businesses should attempt to recover payments immediately on being told of a scam.

Here, Wise has told us that as the receiving accounts were also held with Wise it was able to see that the funds were withdrawn before the scam was reported, so couldn't be recovered. But in any case, as it seems that the payments here were made to individuals who were trading legitimately in cryptocurrency, rather than directly to the scammer, it's difficult to see how recovery could ever have been possible – even if Mr N had reported the scam sooner.

I'm sorry to disappoint Mr N. He's been the victim of a cruel scam and I can appreciate why he'd think he should get his money back. But for the reasons I've explained, I don't think Wise should have done more to prevent his loss. So, it wouldn't be reasonable for me to ask it to refund the payments he made.

### **My final decision**

My final decision is that I'm not upholding Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 8 May 2025.

Helen Sutcliffe  
**Ombudsman**