

The complaint

Miss M is unhappy that Wise Payments Limited won't refund a payment made because of a scam.

What happened

Miss M's relative was the victim of an investment scam, which involved Miss M opening an account with Wise and sending a payment to someone for £3,500.00 in January 2024.

In April 2024, Miss M disputed the payment made with Wise, via a complaint through her professional representatives.

Wise replied – it said that as it was a new account without previous transactions, it didn't find the payment unusual, so it didn't provide a warning. And that overall, it can't cancel a payment she made, and it doesn't get involved with disputes.

Unhappy with its response, Miss M's professional representatives brought the complaint to our service to investigate.

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 outcome as our investigator for these reasons:

- The starting position in law is that Miss M is responsible for a payment she made. And Wise has a duty to make the payment she tells it to.
- But, as supported by the terms of the account, that doesn't preclude Wise from making fraud checks before making a payment. And, taking into account regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably have done this in some circumstances.
- Looking at the circumstances of this disputed payment, I'm not persuaded it appeared so unusual or suspicious that Wise ought to have suspected she was falling victim to a scam. This was a new account, so Wise didn't have a transaction history to say what looked unusual for Miss M. It was also a single payment – and while I appreciate it was a lot for her to lose, it wasn't particularly significant in value. The destination of the payment didn't look particularly concerning either.
- Miss M's representatives suggest Wise ought to have been concerned as money moved into the newly opened account and was quickly sent out in its entirety. But I'm mindful that lots of Wise's customers will legitimately use their account this way, given that it's an electronic money institute designed for global transfers. So I don't think this, taken with the other factors I've described, is enough to say that Wise ought to have stepped in.

- Miss M's representatives also argue that the closure of another relative's Wise account beforehand should've led to Wise treating this payment with extra caution. But it's not clear to me that Wise would've known they were related – and in any event, I think it's going too far here to expect Wise to intervene because another account closed – after all, I don't find this to be an inherently suspicious event.
- It follows that I don't consider it remiss that Wise processed the payment in line with Miss M's instructions without completing further checks.
- As well as whether Wise ought to have prevented Miss M's loss, I've considered whether it should've done more to recover the payment. But I've seen the money left the recipient's account on the same day it was transferred in. So by the time Wise knew about what happened, I think it was already too late to recover the money.
- I realise how disappointing this will be for Miss M, given how her relative fell victim to a horrible scam. But for the reasons I've explained, I don't think her loss can be attributed to something Wise did wrong. So I don't uphold her complaint.

My final decision

For the reasons I've explained, I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 15 April 2025.

Emma Szkolar
Ombudsman