

The complaint

Mr N complains that Wise Payments Limited ('Wise') won't refund the money he lost after he fell victim to a scam.

Mr N is represented in this matter by a third party, but for ease of reading I have referred to Mr N throughout this decision.

What happened

The background to this complaint is well known to both parties, so I will not set it out in detail here. In summary, Mr N was contacted by the scammers on WhatsApp about a job opportunity in late July 2023. I understand that Mr N was told he would be paid to review products. Mr N says he researched the company online and was satisfied that it appeared to be legitimate.

The scammers app showed how much Mr N had earned, and Mr N was initially able to withdraw some of this money. He was then told he needed to pay the scammers in order to release more of the money he had earned. Mr N made the first payment to release his earnings on 1 September 2023. I understand that the scammers then gave various other reasons to explain why Mr N needed to send more money in order to release the money he thought he had earned. Mr N made eight payments from his Wise account to the scammers.

In total, Mr N lost £22,000 to the scam, as set out below.

date		payee	method	amount
1 September 2023		payee 1	faster payment	£1,500
4 September 2023		payee 2	faster payment	£2,650
18 September 2023		payee 3	faster payment	£300
19 September 2023		payee 3	faster payment	£200
24 September 2023		payee 4	faster payment	£2,600
2 October 2023		payee 5	faster payment	£6,450
3 October 2023		payee 6	faster payment	£4,200
4 October 2023		payee 7	faster payment	£4,100

Mr N says he realised he had been scammed when he could no longer contact the scammers or log into the app the scammers had set up.

He contacted Wise about this matter. It said it didn't think it had acted incorrectly and wasn't willing to reimburse Mr N.

Our investigator considered Mr N's complaint. Having done so they said they didn't think his complaint should be upheld.

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 have reached the same view as our investigator and for much the same reasons. I'll explain why.

It is not in dispute that Mr N has been the victim of a job scam and I am sympathetic to his position. Ultimately, however, Mr N has suffered this loss because of fraudsters and this doesn't automatically entitle him to a refund from Wise. It would only be fair for me to tell Wise to reimburse Mr N for his loss (or some of it) if I thought Wise reasonably ought to have prevented one or more of the payments in the first place, or Wise unreasonably hindered recovery of the funds after the payments had been made; and I was satisfied, overall, this was a fair and reasonable outcome.

Prevention

In considering this complaint I have taken into account the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting point at law is that an Electronic Money Institution ('EMI') such as Wise is expected to process payments a customer authorises it to make, in accordance with The Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of their account.

It is not in dispute that Mr N authorised all the payments complained about. Under the Payment Services Regulations and the terms and conditions of the account, Mr N is presumed liable for the loss in the first instance.

However, this isn't the end of the story. Good industry practice was that Wise ought to have been on the look-out for transactions that were unusual or uncharacteristic to the extent that they might indicate a fraud risk. On spotting such a payment instruction, I would expect Wise to intervene in a manner proportionate to the risk identified.

Likewise, since 31 July 2023, under the FCA's Consumer Duty, regulated firms like Wise must act to deliver good outcomes for customers and must avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so. But Wise's ability to effectively warn Mr N did depend here, not unreasonably, on him giving an accurate answer to its questioning about the purpose of the payments.

And there are many payments made by customers each day and there's a balance to be struck between appropriately intervening in payments before following the customer's instructions to make them, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

I have been provided with evidence to show that Mr N had been using his Wise account

since late 2022 and had previously used the account to make a number of international transfers for amounts up to 1,300 Euros. So, although Mr N didn't have an extensive account history with Wise for it to tell whether the payments were unusual or uncharacteristic for his account, it was building a picture of a customer that used the account to make higher value transfers. Even though Wise didn't have an extensive account history this didn't absolve it of its responsibilities to appropriately intervene in scam payments.

I think that given the size of the first transfer of £1,500 on 1 September 2023, and that Wise was building a picture of a customer that send larger payments to new payees I don't think it needed to intervene with this payment.

However, I do think it ought to have intervened and provided Mr N with a warning about scams when he made the second payment on 4 September 2023 for £2,650. In this case, however, I can see that Wise did intervene before it followed Mr N's instructions to make the transfer. Wise has provided information showing that when Mr N initiated the payment instruction, Wise would've shown him a screen which said:

Protect yourself from scams. This could be a scam. Tell us what this transfer is for, and we can give you advice.

Mr N was then asked to pick what the transfer was for, from the following options:

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

Wise has provided information showing Mr N chose the option; '*sending money to friends and family*' and, based on this, Wise would've then shown Mr N warnings about possible relevant scams. Mr N nevertheless chose to proceed with the transfer. I don't think I can fairly say Wise's intervention was unreasonable.

But Mr N didn't give Wise an accurate answer to its question about what the payment was for. He said it was to send money to family or friends, rather than '*paying to earn money by working online*'. In the circumstances and as Wise had no reason to think Mr N had not given the true reason for the payment, I don't think it could reasonably have been expected to do more in respect of this payment.

I am mindful that Mr N says the scammers told him to select the option '*sending money to family or friends*' rather than the true purpose '*paying to earn money by working online*'. I think this should reasonably have led Mr N to consider why he was being asked to mislead Wise, but I can't reasonably say Wise should have known that Mr N had not answered its question about the purpose of the payment truthfully.

In respect of the payments on 18,19 and 24 September 2023, Wise hasn't provided information about any interventions or warnings that took place before these payments were

sent. I have carefully considered whether Mr N would have chosen not to proceed with these payments if he had received a tailored warning from Wise. Having done so, I think Mr N would have proceeded with the payments, as even if Wise had provided a warning it is more likely than not that Mr N would have again chosen the wrong payment purpose and that would have driven Wise's systems to display a warning that wasn't relevant to his circumstances and so wouldn't have impacted his decision making. I have reached this view as I am mindful that Mr N had previously proceeded with a payment to the scammers, despite having received a tailored warning – and had not given Wise accurate information about the purpose of the payment.

Wise did intervene again, and provided Mr N with a warning about scams, when he made the sixth payment on 2 October 2023 for £6,450 and the eighth payment on 4 October 2023 of £4,100. On each of these occasions Mr N chose the option; *'sending money to friends and family'* and, based on this, Wise would've then shown Mr N warnings about possible relevant scams. Mr N nevertheless chose to proceed with these transfers.

I have very carefully considered whether Wise should have spoken to Mr N before it processed the transfer on 2 October 2023 of £6,450. This was the largest transfer Mr N had made. Mr N's representative says it thinks Wise should have done so and it says Mr N *'...would not have made any payments if the bank had asked him probing questions such as:*

- How did you find out about the company?

- Is the company genuine and what proof do you have of this?

- Where is the company based?

I appreciate that, with the benefit of hindsight, Mr N feels he would not have made the payments if Wise had manually intervened and spoken to him about the transfers, but I must take into account that Mr N has told this service that he had been coached by the scammers to say that the payments were to friends and family. In view of this I cannot safely find that even if Wise had manually intervened Mr N would have responded truthfully to its questioning. And if Mr N had told Wise the payments were to friends and family it would not have prompted Wise to ask questions relating to a jobs scam.

In summary, Mr N only had a limited account history with Wise, so Wise didn't have a material account history to allow it to judge whether Mr N's payment instructions were uncharacteristic or unusual for the account. But nevertheless, it intervened in three of the largest payments and gave warnings based on how Mr N interacted with it. He told Wise the payments were *'sending money to family or friends'*. And overall, whilst I note the points Mr N and his representative have made, I think in this instance I can't fairly say Wise acted unreasonably.

I have also taken into account that Wise was in a difficult position in terms of its ability to spot the fraud risk. Normally, it would be expected to look at payment activity and consider whether it was out of character for that customer or account. But, as I set out above, Mr N did not have an extensive account history with Wise, so it only had a small amount of data to serve as a basis for that comparison. But it did know that Mr N had previously confirmed that the payments he made up to September 2023 were legitimate, so it was building a picture of larger payments being sent to new payees.

Having carefully considered these payments I'm persuaded that Wise's intervention was proportionate, and I am of the view that even if it had manually intervened when Mr N made the payment on 2 October 2023 for £6,450 I cannot safely find that Mr N would have

responded truthfully to its questioning. And if Mr N had told Wise the payments were to friends and family it would not have prompted Wise to ask questions relating to a jobs scam.

My decision is that Wise therefore did not unreasonably fail to prevent Mr N's loss of these payments.

Recovery

As Wise has explained, it didn't attempt recovery of Mr N's money once it was aware of the fraud as no funds were left in the scammers accounts for it to recover.

I'm sorry Mr N was scammed and lost this money. He has my sympathy. However, I can't fairly tell Wise to reimburse him in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them.

My final decision

For the reasons I have set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 7 May 2025.

Suzannah Stuart
Ombudsman