

## **The complaint**

Mr O complains that Wise Payments Limited (“Wise”) hasn’t protected him from losing money to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat everything here. In brief summary, Mr O has explained that from December 2021 to February 2022 he made three payments from his Wise account totalling almost £6,400 for what he thought was a legitimate investment.

Mr O subsequently realised he’d been scammed and got in touch with Wise. Ultimately, Wise didn’t reimburse Mr O’s lost funds, and Mr O referred his complaint about Wise to us. As our Investigator couldn’t resolve the matter informally, the case has been passed to me for 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’ve decided to not uphold Mr O’s complaint for materially the same reasons as our Investigator.

First, let me say, I don’t doubt Mr O has been the victim of a scam here. He has my sympathy. Ultimately, however, Mr O has suffered his 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 O his loss (or part of it) if I thought Wise reasonably ought to have prevented the payments (or some of them) in the first place, or Wise unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

I’m satisfied Mr O authorised the relevant payments. Wise would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr O is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Wise should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it’s not realistic or reasonable to expect Wise to stop and check every payment instruction. There’s a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds).

Here, having reviewed the payments in question, I’m not persuaded Wise ought to have found any of the payments sufficiently suspicious, such that it ought to have made further enquiries of Mr O before processing them. The payments were individually and collectively,

spaced as they were, not of the type that I could reasonably expect Wise to have been sufficiently concerned about them. Mr O's representative argued about this in response to our Investigator's view, but it really ought to realise there's a fair balance to be struck, as I've mentioned above. And it wouldn't be fair to hold Wise responsible for not preventing these payments in this case.

I'm also not persuaded there were any realistic prospects of Wise recovering the funds here, given that I understand by the time Mr O reported he'd been scammed, the funds had already been spent by the fraudsters, preventing recovery by Wise, which unfortunately is a common feature of scam cases like this one.

I'm sorry Mr O was scammed and lost this money. But despite my natural sympathy, I'm not persuaded Wise is the cause of this: I can't fairly tell Wise to pay him compensation when I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 13 March 2025.

Neil Bridge  
**Ombudsman**