

## **The complaint**

Mr N complains that Wise Payments Limited (Wise) have declined to refund transactions made on his account that he did not authorise.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of the key events below.

On 5 July 2024 Mr N raised concerns with Wise relating to nine transactions on his account made between 29 June and 1 July 2024 to a cryptocurrency exchange that he did not recognise.

Mr N disputed the transactions with Wise. He states the payments were executed by malware that took over his device and that they were made without his knowledge or consent.

Wise investigated, but it said it wouldn't be refunding the payments and said Mr N had likely authorised them. But Mr N felt that Wise failed to implement any fraud controls and as a result he suffered the loss of a significant sum of money.

Unhappy with Wise's response, Mr N referred the matter to our service.

Mr N said he disagreed with Wise and raised the following points:

- Wise should have informed him immediately following the first payment anomaly in account behaviour.
- Wise blocked payment, but did not explain why, or why it had not blocked other payments as they were all similar and even higher amounts.
- Wise claimed it had reached out to him for confirmation that he was making the payments but had not presented any evidence of this.
- Wise did not seriously consider his claim of his mobile device take over, and it did not provide a real two-factor authentication service (2FA).

Our investigator looked into the matter and initially upheld the complaint due to evidence not being presented by Wise. Later Wise responded to provide further information which led her to change her view. She felt that the payments had most likely been authorised by Mr N.

As Mr N disagreed, the matter was referred for a final 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 broadly agree with the investigators finding and have decided not to uphold the complaint. I'll explain why.

I have carefully considered everything presented by both parties and although I have summarised this complaint in far less detail than the parties have. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is because I have focused on what I have found to be the key points.

The relevant rules that apply in this instance are the Payment Services Regulations 2017 (PSRs).

The PSRs say that a payment transaction is authorised by the payer where they have given their consent to the execution to the payment transaction. Such consent must be given in the form and in accordance with the procedure agreed between the payer and the payment service provider (in this case Wise).

Unless Wise can show consent has been given, it has no authority to make a payment or debit its customer's account. Where a payment service user denies having authorised a payment transaction, it is for Wise to prove that the payment transaction in question was authorised by the customer.

Having considered the evidence as well as the relevant law, it seems to me that the main consideration for me to make here is whether it is more likely than not that Mr N authorised the transactions. Put simply, I need to decide whether Mr N made the transactions himself or gave someone permission to do so. This is important because a customer will usually be liable for payments they've authorised and, generally speaking, a payment service provider will be liable for any unauthorised payments.

The disputed payments made to the cryptocurrency exchange were as follows:

29 June 2024	124.93 USD
29 June 2024	67.27 USD
29 June 2024	190.40 USD
29 June 2024	253.86 USD
30 June 2024	63.47 USD
30 June 2024	1,000 USD
30 June 2024	1,000 USD
30 June 2024	100.00 USD
1 July 2024	500.00 USD

I note Mr N states Wise should have informed him when it first identified an account anomaly - so anything out of the ordinary occurring on his account, and that although it blocked payments, it did not explain why the payments were blocked.

Wise has mentioned that it has an anti-fraud system in place which is designed to flag any payments which may be of concern and states that Mr N's transactions were flagged, and warnings were presented.

It specifically mentions, that on 29th June, it cancelled the first transaction of 100 USD and asked Mr N to confirm he still intended to proceed with the payment. And it also said it cancelled the payment for 100 USD made on 30 June, but that Mr N again reviewed the warnings and decided to proceed.

I have reviewed the information Wise has provided to evidence this and I am satisfied that attempts were made to clarify payment instructions, that were being made by Mr N and that warnings to this effect were sent to Mr N's registered device, prior to the payments being processed.

Mr N states that Wise did not provide a real 2FA. But internal records provided by Wise, evidence that the payments made from Mr N's account were approved on his device using a combination of push notification and 3D Secure authorisation (3DS) approval.

What this means is that the transactions required Mr N to complete a further authorisation step so as to approve the payments and the information provided shows that 3DS authorisation was successful and that push notifications were provided via the app. Having reviewed this in detail, I'm persuaded that the transactions were most likely to have been authorised by Mr N.

Mr N claims Wise has fabricated the evidence, so I have considered this when reviewing the information presented. Having done so I'm not persuaded that this is the case. Wise has shown that the account was only ever accessed from Mr N's Android device, and the IP address remained consistent. In light of this, the most plausible explanation is that either Mr N made and authorised the payments himself from his device, or that he gave his consent and authority for the payments to be made on his behalf.

I note Mr N in his complaint to this service states he did not authorise or consent to these payments, and that he was only made aware of what had happened when he received a call from another bank which alerted him to the possibility of fraudulent activity on his account with them. But on reviewing information presented by Wise I can see that there are some differences in what he told Wise when he first reported his concerns and what he has told us.

Wise has presented a copy of the chat that took place between Mr N and Wise on 5 July in which he mentions that he had been scammed into sending the payments to the cryptocurrency exchange. And Wise states that he later changed his testimony and said he had not authorised the payments.

I have reviewed the chat and note that Mr N said:

*"was scammed into sending money to an unknown crypto wallet"*

*"payment was for crypto conversion at good rates"*

So, I am persuaded that Mr N has presented two different versions of what happened.

Mr N, when asked, confirmed that his device was protected with a password - which his wife also had access to - and that his access to the Wise app was also protected with a different password. I can see from what Wise has presented, that his app was also set up for biometric access.

So, given this, there is no reasonable explanation for how a third party could have gained access to his device, but Mr N maintains that his device was taken over, and that was how the payments were authorised without his consent or knowledge. But that isn't consistent with what he initially told Wise. I can see Mr N has presented information relating to the device take over, but on review, I haven't seen any persuasive evidence of this being the case.

But even if that was what happened, the evidence indicates that Mr N was aware at the time that money was being sent to a cryptocurrency wallet, which on balance would suggest that he authorised the payments from his Wise account and would have likely seen the payments were being made. This does not however correlate with what Mr N told this service - in that he was unaware of any of the disputed payments being made from his Wise account. So, in evaluating these inconsistencies, I cannot reasonably place much weight on Mr N's testimony being a true representation of how things transpired. And I'm satisfied the more likely explanation is that he either authorised the payments himself or gave his consent for the payments to be made on his behalf.

I appreciate that Mr N disputes this and states that the payments were made by malware on his device but as I've set out above, I do not find this to be plausible here. As a result, I'm not persuaded Wise has acted unreasonably by treating the payments as having been authorised by Mr N.

I don't doubt, Mr N has been scammed. But as mentioned, Wise has said that it intervened on two of the disputed payments and provided warnings highlighting potential investment scams. And despite these attempts, Mr N proceeded to make further payments. Mr N's account activity also shows that he had previously made payments of considerably more from his account, so the size of the payments, would not have been considered unusual here.

It's also clear that prior to him realising it was a scam and reporting it to Wise, Mr N had willingly transferred money away for his benefit and was looking to make a profit from the good rates that he had been offered – albeit he later realised it was all part of a scam. So, I'm not persuaded he would have taken much notice of any further warnings or that any other form of intervention would have changed this outcome and prevented the losses.

As a result, I don't consider it would be fair and reasonable to hold Wise liable for failing to warn Mr N any further than it did. I also don't think there was anything Wise could've done to recover the money.

I appreciate this will come as a disappointment to Mr N, and I sympathise with the position he finds himself in. However, I will not be asking Wise to take any further action.

### **My final decision**

For the reasons given above, I do not 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 11 November 2025.

Sukhdeep Judge  
**Ombudsman**