

The complaint

Miss R is unhappy that Wise Payments Limited (“Wise”) will not refund her money that she lost, after she fell victim to an Authorised Push Payment (APP) scam.

Miss R brought her complaint to this service through a representative. For ease of reading, I will refer solely to Miss R in this decision.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here, but in summary I understand it to be as follows.

In October 2023, Miss R was approached, through a well-known messaging app, about a job opportunity. She was told the job involved completing online tasks, for a well-known retailer, for which she would earn a salary and commission. Believing everything to be genuine Miss R proceeded, but unknown to her at the time, she had been contacted by fraudsters. The fraudsters then persuaded Miss R to pay her own money in order to proceed with the work.

Miss R initially made payments to a cryptocurrency platform from an account she held with another provider. But the fraudster then suggested to Miss R that she open an account with Wise. Miss R followed the fraudsters instructions in opening an account and after transferring money into it, she made the following faster payments, totalling £7,371.88, to three different accounts, for peer-to-peer cryptocurrency purchases. After receiving the cryptocurrency, it was subsequently moved on to accounts that the fraudsters controlled.

Payment	Date	Amount	To
1	27 October 2023	£1,020.00	Payee 1
2	28 October 2023	£21.88	Payee 2
3	28 October 2023	£3,320.00	Payee 2
4	28 October 2023	£3,010.00	Payee 3

When told she had to pay more fees before she could keep progressing with the work, Miss R realised she had been scammed.

Miss R raised the matter with Wise, but it didn’t agree to uphold her complaint.

Unhappy with Wise’s response, Miss R brought her complaint to this service. One of our Investigator’s looked into things, but didn’t think the complaint should be upheld. In summary, it was our Investigators view that even if Wise had stepped in and questioned things (our Investigator suggested that the point they could have done this was the final payment), that it wouldn’t have made a difference. This was because he thought Miss R was being guided by the scammers, and she was likely to follow the scammers instructions to withhold the true nature of the payments.

Miss R disagreed with our Investigators view. In summary, she said the scammer never told her what to choose (when she was given a choice of reasons by Wise for making her payments). Alongside this, she said, under The Consumer Duty Finalised Guidance FG 22/5, Wise has a duty to provide clear and effective warnings and the level of questioning by Wise was not effective.

As an agreement couldn't be reached, the complaint 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Wise be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

The Investigator found a particular point at which he thought Wise ought to have taken some steps to protect Miss R, that being the final payment she made. I agree with his conclusions on that point.

In saying that, I'm mindful Wise didn't have any historic information about the account or what Miss R's typical usage was like. So, it wasn't in a position to know whether Miss R's activity was unusual or out of character – as it had nothing to compare it against. However, when looking at the final payment, this was the fourth payment, to three new payees, within a short period of time and would have meant Miss R has sent over £7,000. The frequency of the payments, upward trend in the values and the number of new payees, I think ought to have led Wise to be mindful of the potential risk, by the time this last payment was being made.

It shouldn't have processed that payment without first taking steps to warn Miss R about the risk of scams. In the individual circumstances of this case, I would have expected Wise to have intervened and a proportionate intervention would have been to provide a tailored online warning based on the reason given for the payments. However, the question I also have to ask is whether if it had intervened, would it have been able to prevent the scam taking place.

I've considered that point carefully and I'm not persuaded it would've done. I've seen that, when Miss R was making these payments, she was asked to specify the purpose for which they were being made. One of the options available for her to choose on the Wise platform was *"paying to earn money working online"*, but Miss R chose a different reason when she made the payments.

From the evidence that has been submitted by Miss R, which includes details of the chat she had with the scammers and screenshots from when the payments were being made. I can see that Miss R was communicating with the scammer and was being guided by them on how to proceed. I'm satisfied that it was a result of these interactions that Miss R chose a different reason. It appears that the scammers suggested to her that she select 'family and friends', though Miss R did, in fact, select 'something else' for each of the payments.

I'm not persuaded that Wise ought to have been satisfied with 'something else' and I would expect its online functions to have asked for clarity around the purpose of the payment. However, given what I've said above, even if it had of done, I think, on the balance of probabilities, it's more likely than not Miss R would have then selected 'family and friends', as she had been instructed to do by the scammers – or would have reverted back to the scammers for guidance, as the chat indicates she was doing. Where it has not been provided with accurate information, I can't reasonably have expected Wise to have identified that Miss R was at risk of a job-related scam and to have provided warnings to that effect. As such, I can't fairly hold it liable for Miss R's losses.

Miss R has pointed to the FCA's Consumer Duty that came into force on 31 July 2023 and puts an obligation on firms to avoid foreseeable harm to customers. The Consumer Duty Finalised Guidance FG22/5 (Paragraph 5.23) gives an example of foreseeable harm: *"consumers becoming victims to scams relating to their financial products for example, due to a firm's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers"*. But here I find the loss was not caused by the inadequacy of Wise's systems, rather the choice Miss R made not to disclose the correct purpose about why she was making the payments.

Thinking next about the recovery of payments, given Miss R legitimately bought cryptocurrency from individual sellers (who were unlikely to have been involved in the scam) before ultimately sending it on to accounts the fraudsters controlled from her cryptocurrency account, it's unlikely recovery would have been successful. This is because the recipients of Miss R's payments did render the services the payments were for. I don't think Wise could or should have taken further steps to recover funds from cryptocurrency sellers.

In summary, I recognise that Miss R will be disappointed with this outcome. I'm sorry that she fell victim to such a cruel scam, and this has had a huge impact on her circumstances. But I have to consider whether Wise could have prevented the scam from happening. Having given this a lot of thought, as set out above, it wouldn't be fair of me to hold Wise liable for her losses.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 7 August 2025.

Stephen Wise
Ombudsman