

## **The complaint**

X complains about Wise Payments Limited.

She says that Wise didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

## **What happened**

X found an advertisement online for a company which promoted investing in cryptocurrency, supposedly promoted by a well-known celebrity.

She completed a contact form and soon after was contacted by someone from the company who explained how they could help her to invest. Unfortunately, this person was a scammer – and set about manipulating X into parting with an extremely significant amount of money.

X was persuaded to download Anydesk and was given access to a fake platform where she could 'see' her investment. In reality, as soon as the funds left X's bank accounts, the money was already in the hands of the scammer.

During the time that the scam took place, the individual kept in regular contact with X, falsifying a professional, and friendly relationship – it is clear from the messages that have been shared from this Service that X regarded her advisor as a friend, and they exchanged pleasantries about family and life in general.

As well as parting with her own money, X was further persuaded to take out significant loans with various lenders, and to borrow money from friends and family. X wasn't truthful with the lenders or the friends and family about what the lent funds were for.

It has been hard to identify the true loss X has suffered from the scam, as X hasn't been able to explain where some of the money ended up – however, the loss is extreme – somewhere in the region of £500,000-£600,000, and represents a lifetime of savings for X, who has now also incurred significant debt due to the loans that were taken out.

X only realised she had been scammed when the police became involved, and until this point was reluctant to accept the reality of what had happened.

With the help of a representative, she has brought complaints against four banks which were involved in that happened.

Wise didn't uphold her complaint, it said that it had done all it could to prevent X's loss and wasn't the point at which her loss was made.

X and her representative then brought her complaint to this Service. Our Investigator looked into things but didn't think that the complaint should be upheld.

Our Investigator explained that it wasn't clear what loss X had suffered – a lot of the money had been moved to crypto exchanges, money transfer services and internet transfers – so it was difficult to see what loss X had truly occurred.

X then asked for a final decision, so the complaint has been passed to me. I have previously written to X and her representatives to explain that I also didn't think that the complaint should be upheld – but also added further information.

I explained that while it was difficult to truly quantify the loss, although it was clearly very significant – there were other factors that I felt needed to be taken into account, which meant that I did not think the complaint should be upheld.

X and her representatives responded, and still maintained that they would like a final decision – in summary that X was vulnerable, and that Wise should have been aware of this and done more to prevent her losses

### **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 not to uphold this complaint. I know that this will be extremely upsetting for X and her family – the money she has lost represents the majority of her life savings, and I have no doubt that the realisation of what has happened to her has been truly devastating and will have a lasting impact.

The actions of the scammer in this situation are truly abhorrent – and the level of manipulation X has been subjected to is frankly obscene, and I am very sorry to hear what has happened to her.

However, my role here is to decide if Wise could have prevented the loss – and it is important to remember that it was not Wise who stole X's money from her – it was the scammer – and so my decision is purely based on Wise's actions.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

X authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Wise should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Wise should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Wise acted fairly and reasonably in its dealings with X when she authorised payments from her account or whether it could and should have done more before processing them.

Wise has shown that it presented X with a warning screen when she made payments from her account – which stated *'This could be a scam. It's hard to get your money back once you send it – so first, tell us what this transfer's for to get advice'*. There was then an option to select the reason for the transfer, cancel the payments, or find out more about scams. X selected 'goods and services' for the payment reasons and continued with the payment.

I don't think that these warnings went far enough – the two payments that left X's account were for 14,000 EUR and 10,700 EUR and clearly going to a crypto exchange. And while payments going to crypto need not necessarily be an indication of a scam, combined with the fact that the payments were large, and X's account was new, I think that Wise should have done more here, and had a human intervention with X through its app.

However, in order for me to uphold this complaint, I would also have to find that a better intervention from Wise would have made a difference here – and I don't think that it would have.

I say this because X ignored multiple warnings from other banks, deliberately withheld information from them – and ignored a warning from her bank N, which took place in a branch with staff. So, I think that she would have continued to do so with Wise.

I do understand that X may have been vulnerable – but I can't see how this would have been apparent to Wise at the time she was making these payments – and I don't think this would have been apparent to it had it made a better intervention either, as X would have provided it with a plausible reason for the transfer as she was being guided heavily by the scammer in what to say and do.

So, although I think that Wise could have done better than it did, I can't say that its failure to do so caused X's loss.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 14 March 2025.

Claire Pugh  
**Ombudsman**