DRN-5229692

Financial Ombudsman Service

The complaint

Mr W has complained that Wise Payments Limited won't refund the money he lost after falling victim to a scam.

What happened

In February 2024, Mr W was cold called by scammers claiming to be from HM Revenue & Customs (HMRC). They told Mr W he hadn't paid his taxes correctly, and threatened him with arrest. Over the course of that month, they persuaded Mr W to send just under £100,000 from his Wise account to various individuals, as well as further large amounts from his other bank accounts, to pay off a debt of around £4,000 plus charges.

In March 2024, Mr W reported the scam to Wise. Wise managed to recover around £6,000. Wise then agreed to refund half of the loss to Mr W, including all payments.

Our Investigator looked into things independently and thought Wise had already reimbursed Mr W fairly. Mr W appealed, so the complaint's been passed to me 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.

First, I do appreciate that Mr W fell victim to a cruel scam and the scammers abused his trust, for which he has my sympathy. I appreciate that the scammers caused him a great deal of distress, and I appreciate why he would like to recover as much money as he can. It's worth keeping in mind that it's the scammers who are primarily responsible for their own scam, and it's the scammers who really owe Mr W the money back. But in this case between Mr W and Wise, I'm just looking at what Mr W and Wise are liable for.

I should also clarify that we're not the regulator – that's the Financial Conduct Authority (FCA). So we don't oversee firms' processes more generally, nor tell firms what processes to have. We're here to decide individual cases about individual situations. So while I do understand that Mr W is unhappy with Wise's systems and processes, in this decision I'm just considering what happened in this individual situation between Mr W and Wise.

My final clarification is that Wise are not signed up to the voluntary CRM Code for scams. So while I understand that Mr W would like me to consider the case under the terms of the CRM Code, it doesn't apply here.

Turning to the scam at hand, there's no dispute that Mr W authorised the payments involved, even if he didn't intend for the money to end up with scammers. So under the Payment Services Regulations and the terms of his account, Mr W is liable for the loss in the first instance. And broadly speaking, Wise had an obligation to follow his instructions – the starting position in law is that money transfer firms are expected to process payments which a customer authorises them to make.

Wise should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments.

While this was a very large amount to lose in a relatively short time, and again I empathise with Mr W there, the amounts were not especially out of character for his account. His Wise account had been open for some time, and in the preceding period had dealt in some very large sums indeed – including a previous payment of £90,000. So I don't think Wise can fairly be held liable for *all* the scam payments here. Given the conduct of Mr W's particular account, I can't say that Wise would've had good reason to intervene at least until some way through when a suspicious pattern might've started to emerge.

Further, even if Wise *had* intervened and asked Mr W reasonable questions and given him relevant scam warnings, it's not clear that this would've worked. It would've been difficult for Wise to uncover or block the scam if Mr W didn't tell them the truth. And the scammers had told Mr W not to tell Wise or his banks the truth or else he'd be committing a serious crime. They gave him cover stories, which I can see he used with his other banks, so it's most likely he would've done the same with Wise. He also seems to have ignored relevant warnings. As such, it seems difficult to conclude that intervention would've been effective anyway.

So really, I'm afraid it doesn't look like Wise strictly needed to reimburse Mr W here at all. And even if I did think they were liable to reimburse *some* of the payments, I'd still need to think carefully about Mr W's role in what happened.

I understand that Mr W was unfamiliar with the UK tax system, and that he was scared about the potential consequences. However, I'm afraid I find that Mr W didn't have a reasonable basis to believe what the scammers were telling him, and he ought to have had more concerns along the way.

For example, he was cold called from a number that was not HMRC's and which a quick internet search would've revealed was a number commonly associated with scams. He was given a story that was not plausible, was communicating with individuals over WhatsApp, and was being asked to pay individuals' personal accounts and not HMRC accounts. The scammers gave Mr W very little to evidence that they were who they said they were. The documents they provided seem to have come after Mr W had already started sending them large sums, and were rife with poor grammar and errors. Mr W had no good reason to think he'd owe such sums, nor to think that he'd have to pay such huge amounts to cover a far smaller tax bill. He'd not received a prior tax warning, and he would've surely known that he hadn't committed the crimes he was being accused of. He could've simply checked in with his employer or the tax help service he paid for. Even if he believed that that was somehow illegal, he could've contacted HMRC directly to check. This scam took place over weeks, so Mr W had plenty of time to reflect on it and to seek advice. He also misled his banks and ignored scam warnings.

As such, even if I did think that Wise were liable for some of the payments, I could not possibly hold them fully liable. I'd have to find Mr W at least equally liable for that loss, if not more, given the level of negligence involved on his part. That's a difficult message for me to give, and I know it's a difficult message for Mr W to receive. But given the case at hand, I'm unable to reasonably reach any other conclusion.

Mr W suggested that the scammers might've targeted him through breaching Wise's data and finding out about his recent tax filing. This isn't a point he raised before, so if he wanted us to look into this alleged data breach fully he'd need to raise it as a separate case. But based on what I've got so far, I can note that Mr W has not provided any evidence to back up this suggestion, I've not found any evidence of such a breach, from what Mr W's said and provided it doesn't sound like the scammers actually knew very much about him before calling him, and as far as I can see he didn't pay his taxes from his Wise account so I can't see how the scammers would've got information about his tax payments from Wise.

Finally, I've considered what Wise did to try to recover Mr W's money after he told Wise about the scam. I can see that they contacted the receiving banks, and a significant sum was returned to Mr W's account, but the receiving banks weren't able to send back the bulk of the funds. Unfortunately, Mr W only told Wise about the scam over a week after his last payment, and it's a common tactic for scammers to move on the money as quickly as possible, before the victim realises what happened. So it was never likely that Wise would've been able to recover the bulk of the funds by the time of Mr W's report.

In summary, given Mr W's prior activity, Wise didn't need to intervene here until at least a significant way through the payments. Given what happened with Mr W's other banks, it doesn't seem especially likely that such intervention would've succeeded. And Mr W's actions were significantly negligent. As such, it's not clear that Wise were liable for the loss here at all. And even if they were, they would've only been liable for *some* of the payments, and they would've only had 50% liability for those payments at the absolute most.

But Wise have already reimbursed Mr W for 50% of the loss for *all* the payments he made from his Wise account. And that's more than the maximum I would've told them to reimburse in this case. So while I'm sorry to hear about what the scammers did to Mr W, I cannot fairly or reasonably tell Wise to pay Mr W anything further here.

My final decision

For the reasons I've explained, I find that Wise Payments Limited have already paid Mr W more than sufficiently to resolve the case. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 September 2025.

Adam Charles
Ombudsman