

## The complaint

Mrs M has complained that Wise Payments Limited (“Wise”) failed to protect her from an investment scam and hasn’t refunded what she lost in the scam.

## What happened

Mrs M has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Mrs M, but I’d like to reassure Mrs M and her representative that I’ve considered everything both parties have said.

Mrs M has explained that she opened an account with Wise in December 2023 at the request of her husband, who believed he was taking part in a legitimate investment opportunity.

Mrs M has explained that scammers convinced Mrs M’s husband that he could make a significant return on his money by investing through their trading platform. When he struggled to make payments towards the investment from his own account, they encouraged him to involve a family member. As she trusted the investment to be genuine, Mrs M agreed to help and used her Wise account to transfer funds to it. As the investment ultimately turned out to be a scam Mrs M now believes Wise should’ve done more to protect her and her husband from falling victim to it.

Mrs M’s husband first became involved in the scam around October 2023. She’s explained that he received a missed call from a number he didn’t recognise and when he called back he spoke to a woman (“the scammer”) who later introduced him to the investment opportunity. Over time, she gained his trust, and he started investing money into what he believed was a legitimate trading platform, using his own bank account to transfer funds. She’s further explained that the scammer showed him false profits to encourage him to invest more.

By late December 2023, Mrs M’s husband had reached his transfer limit and could no longer send money to fund the investment himself. With this in mind he asked Mrs M to open an account with Wise and process further payments on his behalf. Between 27 December 2023 and 18 January 2024, Mrs M transferred a total of £19,000 to the scammers.

The payments Mrs M made in relation to the scam were as follows:

	<b>Date</b>	<b>Amount</b>
1	27 December 2023	£2,500
2	10 January 2024	£2,500
3	10 January 2024	£2,500
4	13 January 2024	£3,000
5	13 January 2024	£3,500
6	18 January 2024	£2,500
7	18 January 2024	£2,500
	<b>Total</b>	<b>£19,000</b>

Mrs M says she and her husband only realised they'd been scammed in February 2024. At that point, when they tried to withdraw the supposed profits of the investment, they were told they had to pay additional fees to access the funds. When they refused, they were locked out of the trading platform. And it was at that point that they understood they had lost everything.

Mrs M has explained how the financial and emotional impact of the scam has been devastating. Mrs M's husband has lost his life savings, and they both feel a deep sense of shame and embarrassment. The stress has affected their mental health, leaving them anxious and struggling to trust online or phone interactions.

Mrs M made a complaint to Wise on the basis that it should've done more to prevent the scam. She feels that Wise failed to intervene despite the payments being unusual for a newly opened account and linked to cryptocurrency. She says she doesn't remember receiving any warnings or advice from Wise at any stage of the payment process. She says if Wise had intervened to question the payments or provided a clear warning about investment scams, she's confident she wouldn't have proceeded with them. So she believes Wise's failure to act allowed the scam to continue without being uncovered when it should have been.

Wise didn't respond to Mrs M's complaint so she referred it to this service.

Mrs M remained unhappy so she referred her complaint to this service. Given the circumstances and the impact on her financial and emotional wellbeing, she believes Wise should take responsibility and reimburse her for the losses.

Our investigator considered everything and didn't think the complaint should be upheld. He explained he thought the way Wise intervened for the first three payments was proportionate. He also said that as Mrs M hadn't given Wise accurate answers when it asked about the reasons for the payments, Wise wasn't able to give her applicable warnings about the actual risks the payments presented.

As Mrs M didn't accept the investigator's opinion, the case has been passed to me to make 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 sorry to disappoint Mrs M but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mrs M authorised these payments from leaving her account. It's accepted by all parties that Mrs M gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Mrs M's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

### How did Wise intervene?

I've firstly considered what Wise knew about Mrs M – including any previous account usage – to decide whether it ought to have realised the payments seen as part of the scam were unusual for her.

It appears Mrs M's Wise account was opened on 26 December 2023, the day before the transactions she's now complained about. So as the account was new, Wise says it didn't have any knowledge of how Mrs M typically used her account, or what would be considered regular spending activity for her. I accept this to a point – but that doesn't mean Wise didn't need to be on the lookout for other signs of financial harm – which would've been evident even without any prior knowledge of Mrs M. I'd expect Wise to have systems in place to detect, for example, high risk beneficiaries, unusual payment patterns, or high value transactions. However I've also kept in mind that people tend to use services like Wise – which is primarily a currency conversion service – differently to the way they use their day-to-day bank accounts. The main difference being that Wise customers often top up their account balance and then use those funds make payments to third parties, or to exchange into foreign currency.

I should note at this stage that although Mrs M's representative alleged the payments were unusual as they were related to cryptocurrency, I haven't seen any suggestion that's the case.

Wise says that whilst Mrs M was creating the first three payments its system issued scam notifications to her, and it has provided a copy of the screens that she saw.

Wise firstly showed Mrs M a general scam warning message which said *“Protect yourself from scams”*- and asked Mrs M the reasons for making the payments. I've seen that for all three payments Mrs M selected the reason as *“Sending money to friends and family”* from a list of options which I note included *“Making an investment”*. Wise then asked further questions about whether Mrs M had met the payee in real life, whether they'd messaged her unexpectedly asking for money, and it finally showed a warning message saying *“Scams can happen to anyone. New types of scams happen all the time. And it's hard to get money back once you send it”*. For all stages Mrs M would've been required to select an option from *“Cancel transfer”* or *“Continue anyway”*.

Mrs M chose to continue with the payments and they were made according to the instructions she'd given to Wise.

### Did Wise do enough?

Having considered how Wise intervened, I've now gone on to consider whether these interventions were proportionate, or whether Wise should've done more, based on the risks presented by the payments.

I know it'll be disappointing for Mrs M to hear but having carefully thought about the circumstances, I'm satisfied that Wise's interventions were proportionate, and whilst they didn't prevent the scam from taking place, I don't hold Wise responsible for that.

Wise's warning screens were prominent and clear – I note they filled the full screen and they included bold wording and imagery related to scams. I don't consider they could've been overlooked – especially as Mrs M would've had to actively confirm she wanted to proceed past each screen, either by selecting the option to continue, or by answering a question.

Considering the values of the payments, and the pattern in which they were sent, I think this level of intervention was proportionate. Whilst the individual and cumulative values of the payments was clearly significant to Mrs M, in the wider context of payments they weren't so large that they ought to have flagged an immediate concern to Wise, which means it didn't need to take action beyond what it did. Wise asked specific questions to establish the payment purposes in an attempt to tailor the warnings it gave, and whilst those warnings didn't resonate with Mrs M, that's most likely because she selected the option that she was "sending money to family or friends" rather than that she was "making an investment".

I do note that Wise intervened for the first three payments but it didn't intervene for payments four to seven. Whilst I consider Wise ought to have further intervened as a minimum at payment five – when the sum of payments reached £6,500 in one day – I don't think that intervention would've made a difference.

Again, I would've expected Wise to show a tailored warning relevant to the scam type it believed Mrs M was falling victim to. And given the way Mrs M answered Wise's questions for the first three payments, I think it's likely she'd have done the same for any further interventions by Wise, meaning I'm also not persuaded any further warnings would've encouraged her to stop and consider what was happening, or uncovered the scam and prevented the losses.

I do acknowledge that Mrs M was making the payments on behalf of her husband, who she's explained was with her throughout, and she believed she was helping him to fund an investment. Mrs M explained that as her husband was having problems making payments from his own account, due to what he believed were daily limits, she agreed to make the payments on his behalf.

I fully accept this scenario would've given Mrs M a certain level of reassurance that the payments were genuine and were helping her husband, and that may be why she answered Wise's questions incorrectly or bypassed the warnings that she might otherwise have paid more attention to. But I'm also mindful that Mrs M said in her initial complaint submission that her husband was in fact being guided on how to interact with the bank by the scammer. Given the fact that the payments were being made for the purpose of Mrs M's husband's investment, and he was present throughout them being made, I think it's likely Mrs M would've referred any further interventions – such as more probing questions from Wise – to her husband, who in turn would've referred these to the scammer before they were answered. So I don't think further intervention would've uncovered the scam.

I've also seen Mrs M's representative's point that Mrs M selected the incorrect reason for the payments "out of habit" as she's frequently presented with these options when interacting with other banks. But as Mrs M's Wise account was brand new and she hadn't made any payments from it before the first scam payment, it's not reasonable to say she selected an option "out of habit" as it's simply not possible to have a habit of doing something you've never done before. So this doesn't change my decision.

Having considered everything I'm satisfied Wise did what it needed to do to protect Mrs M from the potential financial harm that it identified. And even if it had done more, I'm not persuaded the scam would've been uncovered, for the reasons I've set out above.

### Recovery of the funds

Wise says that as soon as it was made aware of the scam it considered recovery of the funds. But as all of the recipients were also customers of Wise, it was able to very quickly see that the funds had been withdrawn from the accounts shortly after they were received.

Wise says it blocked the customers from using their accounts any further, but there's nothing more that it could've done to recover the funds.

I'm very sorry that Mrs M has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Wise responsible for that.

### **My final decision**

I don't uphold Mrs M's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 21 April 2025.

Sam Wade  
**Ombudsman**