

The complaint

Mr W complains that Wise Payments Limited will not refund money he said he lost to a scam.

What happened

The details of this complaint are well known to both parties so I will not repeat it all again here. In summary, Mr W said he made the following payments towards what he thought was a genuine investment.

Payment	Date	Transaction type	Value
1	30 August 2021	transfer	£3,646.71
2	6 September 2021	transfer	£25,000.00
3	7 September 2021	transfer	£4,004.57
4	15 March 2022	transfer	£11,533.16

Mr W said he heard about the investment opportunity through a friend. He contacted the alleged scammer who explained that he would be investing in e-commerce stores which they would run on his behalf for a percentage of the profits and Mr W would receive the remainder of the profits from the stores. Mr W said that initially he saw his investment grow. However after several weeks the scammer informed him that the contract for the stores had been taken over by someone else, so he would need to purchase a new store and make further payments. Mr W said when he refused, the alleged scammer blocked him and it was at this point he realised he had been scammed. He raised the matter with Wise, but it didn't refund the money he lost or uphold his subsequent complaint.

Our investigator didn't think the complaint should be upheld. He thought Wise ought to have stopped the second payment and asked further questions, but didn't think in doing so Wise would have had any reason to be concerned about the payment. Our investigator also thought Mr W would have wanted the payment to go through despite any warnings by the bank.

Mr W and his representative did not accept our investigator's opinion. They think that had Wise asked questions they would have been concerned the scammer had no known links to the company the payments were made to. As an agreement could not be reached, the complaint has been passed to me to decide.

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.

From the information that's been provided, I accept that something went wrong in the agreement between Mr W and the alleged scammer. Even if I were to be satisfied that the investment firm intended to defraud him from the outset and Mr W fell victim to a scam, I

could only uphold this complaint and require Wise to refund the payments if I thought any errors on its part would have made a material difference. I'm not persuaded that they would. I know this will be disappointing to Mr W, but I'll explain my reasons why.

Taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Wise should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.

Considering the value of the second payment Mr W made, I think Wise ought to have intervened and enquired further about its intended purpose. However, at the time, there wasn't much, if any information available about the firm or the alleged scammer, (online or elsewhere), to indicate that the investment was a scam, so I don't think the payment would have caused concern that Mr W was at risk of financial harm. Additionally Wise has told us it had a long-standing relationship with the alleged scammer and the Wise business account the payments were made to. As such I don't think Wise could have told Mr W with any certainty that it was a scam but it could have given a general investment scam warning.

I have considered whether a warning of this nature would have impacted Mr W positively and prevented his losses and I don't think it would. I say this because, Mr W was introduced to the investment by a friend who he thought had a positive experience investing with the firm and the alleged scammer, his wife also invested and by the time he made the second payment, she had seen a small return on her investment, Mr W had also seen positive reviews about the scammer and that they had a large social media following. I think these factors would have convinced him that it was a genuine investment.

Mr W and his wife had been communicating with the scammer for some time and it's clear from the conversation that Mr W had come to trust the scammer. So much so that both Mr W and his wife had been convinced to set up limited companies to facilitate the investment, they had taken out credit cards under the scammers instruction and Mr W borrowed money to fund their investment. The Companies House Website shows that Mr W has not given accurate information about the activities his limited company would undertake. So I find Mr W was under the scammer's spell and determined to make the investment. I also think it is unlikely that a general investment warning would have resonated with his circumstances. On balance I think it is likely Mr W would have continued with the investment despite any warning from Wise.

The scam was not reported to Wise until December 2023, and as much time had passed since the payments were made, I'm not persuaded there were any real prospects of recovering the funds. This is because where a scam is involved, the perpetrators often move the funds out of the beneficiary account quickly and often within 24 hours thus preventing recovery.

I've thought carefully about everything that happened, I appreciate that Mr W has been left out of pocket and the loss he experienced was significant. However for the reasons I've outlined above, I can't fairly or reasonably hold Wise responsible for his losses.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 2 September 2025.

Oluwatobi Balogun
Ombudsman