

The complaint

Mrs H complains that Wise Payments Limited (Wise) is refusing to refund her the amount she lost as the result of a scam.

Mrs H is being represented by a third party. To keep things simple, I will refer to Mrs H throughout my decision.

What happened

In summary, Mrs H's partner had been making payments in relation to a job scam and was required by the scammer to make further payments to make a withdrawal from what he thought was a genuine job. As Mrs H's partner was no longer able to make payments from his account payments were made from Mrs H's account instead.

The following payments were made in relation to the scam from Mrs H's Wise account:

Payment	Date	Payee	Payment Method	Amount
1	14 September 2023	Individual 1	Transfer	£4,670
2	15 September 2023	Individual 2	Transfer	£4,622
3	16 September 2023	Individual 2	Transfer	£4,000
4	16 September 2023	Individual 3	Transfer	£6,117

In my provisional decision sent in December 2024 I explained why I didn't think Wise was responsible for Mrs H's loss, and why this complaint shouldn't be upheld. I said:

"It has not been disputed that the payments made from Mrs H's account were in relation to a scam. The evidence provided by both Mrs H and Wise sets out what happened. What is in dispute is whether Wise should refund the money Mrs H lost due to the scam.

Recovering the payments Mrs H made

Mrs H made payments into the scam via transfer. When payments are made by transfer Wise has limited options available to it to seek recovery.

Wise has confirmed it attempted to recover the funds from the receiving accounts, but no funds remained. With this in mind, I don't think Wise had any reasonable options available to it to recover the payments made in relation to the scam.

Should Wise have reasonably prevented the payments Mrs H made?

It has been accepted that Mrs H authorised the payments that were made from her account with Wise, albeit on the scammer's instruction. So, the starting point here is that Mrs H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Wise should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mrs H made in relation to the scam were sent to individual accounts. Considering the value of the payments I would have expected Wise to have intervened and provided a tailored warning based on the reason given for the payments.

Wise has confirmed that when each payment was made the reason selected for the payments was given as paying “friends and family”. In response to Mrs H selecting this payment reason she received a warning tailored to the risks associated with this type of payment.

I think a tailored warning was proportionate to the payments Mrs H was making. Unfortunately, Mrs H selected an incorrect reason for each of the payments and therefore received warnings based on the information she provided. I don’t think it was unreasonable that the warning Mrs H was presented with was tailored to the information she had provided.

Having received the warning described above Mrs H continued to make the payments. With the above in mind, I don’t think Wise missed an opportunity to prevent the payments being made and it is not responsible for Mrs H’s loss.”

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.

Mrs H responded to my provisional decision. In summary she said that the value of the payments were significant, and considering the prior usage of the account, should have prompted a human intervention from Wise.

Mrs H’s comments have not changed my decision. The payments Mrs H made from her Wise account went to different accounts so would not have all been seen as going to the same place. Considering this and the amounts that were being transferred I still think a proportionate intervention would have been for Wise to have provided a tailored warning based on the information Mrs H provided when she made the payments.

Wise did provide a warning based on incorrect information provided by Mrs H and Mrs H continued with the payments.

So, I still don’t think Wise is responsible for Mrs H’s loss.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs H to accept or reject my decision before 7 February 2025.

Terry Woodham
Ombudsman