

The complaint

Ms D complains Wise Payments Limited trading as Wise has refused to refund a transaction made from her account which she says she did not make or authorise.

What happened

On 8 August 2024, Ms D noticed a card payment debited from her account for £2,500 to an international payment provider, I'll call L. She reported this transaction to Wise as she said she did not make or authorise the payment.

Wise looked into the payment, but it decided not to refund it as it said the payment had been authorised using a One Time Passcode (OTP) sent to Ms D's mobile phone number. As Ms D had told them her phone had never been out of her possession, Wise felt Ms D had likely authorised the payment.

Ms D referred her complaint to our service. An Investigator considered the circumstances. He said, in summary, Wise had provided evidence to show an OTP was sent to Ms D's mobile phone to authorise the disputed payment. So he didn't think Wise had treated her unfairly by refusing to refund the transaction.

Ms D didn't accept the Investigator's findings. She said she was unhappy with the outcome and the merchant themselves believed the transaction was suspicious, so she couldn't understand why Wise hadn't thought so.

As Ms D didn't agree, the complaint's 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.

Under the Payment Services Regulations 2017, generally, Wise can hold Ms D liable for the disputed transaction if the evidence suggests that she made or authorised the transaction.

The £2,500 transaction took place on 8 August 2024 at 5:44pm. It was made online using Ms D's card details. Wise has provided evidence an OTP was sent to Ms D's phone number to authorise the transaction and this OTP was entered online to approve the transaction.

I'm aware Ms D has told us she's received £2,000 back from L directly, so £500 of the disputed transaction remains outstanding.

Ms D says she did receive a message from Wise which alerted her to the payment being made. When asked, she confirmed that message was the OTP and provided a screenshot of it. But Ms D maintains that she didn't disclose it to anyone, nor had her phone been out of her possession. She thinks it's possible her phone was accessed remotely by someone. But she hasn't explained why she thinks that's what has happened or how that would've been possible. So beyond Ms D's assertion, I haven't seen any other evidence to substantiate

this. So I don't think it's more likely than not, the OTP was obtained by an unknown third-party accessing Ms D's phone in this way.

Ms D said if she had disclosed the OTP, then she ought to be protected in the same way people are protected in relation to Authorised Push Payment (APP) scams. But this complaint involves an *unauthorised* card payment, not an *authorised* push payment – so the same considerations don't apply to Ms D's complaint. If Ms D had disclosed the OTP that wouldn't automatically mean she'd be entitled to a refund. And, in any event, as that isn't what Ms D says happened, I don't think this makes a difference to the outcome of her complaint.

The day before the transaction took place Ms D received a payment of £2,100 into her account. When asked, Ms D said this was a friend returning some money she'd borrowed to help with moving costs. Prior to that, there wouldn't have been enough money in the account to have made the disputed transaction. So it seems that whoever made the transaction, was likely aware of the account balance and a payment for a similar amount to the disputed amount credited Ms D's account the day before.

Ms D is particularly unhappy that despite reporting this transaction as unauthorised straight away, Wise did not stop it from debiting her account. But it had already been authorised by the time Ms D had contacted Wise, so I don't think it was unreasonable that it couldn't stop it debiting her account. Nor did Wise raise a chargeback despite Ms D asking it to. But again, given that it considered the payment was authorised by Ms D, I don't think this was unreasonable.

Ms D also says she would've expected Wise to have intervened given the size of the payment. While I agree it was for a significant amount, I don't think a single large payment of this size should have prompted Wise to intervene. I say this because of Ms D's general account usage, which included a payment of £1,400 a few days before the disputed transaction.

Other transactions were attempted that Ms D says she did not authorise but none of these transactions debited her account. It's possible that Ms D's card details may have been compromised in some way but, it's unclear how this particular transaction could have proceeded without Ms D's involvement given that the OTP was used to verify it.

Based on what Ms D has told us, I'm not persuaded an unknown third party could have made the transaction she's disputed in the circumstances she's described. So, while I'm sorry to disappoint Ms D, I find it's more likely than not that Ms D authorised the transaction.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 10 July 2025.

Eleanor Rippengale
Ombudsman