

The complaint

Mr L complains Wise Payments Limited (“Wise”) didn’t do enough to protect him when he fell victim to a scam.

What happened

Mr L says he lost £5,545.59 as a result of an investment scam. When reporting the scam to Wise in April 2024 Mr L said he completed an online training course in trading after which he was contacted by a separate company. He said after many calls and research, he decided to invest in shares. He said he had to provide ID to verify himself and found the website and trading platform professional which added legitimacy to the opportunity.

Mr L said the investment performed well and when it came to withdrawal, his broker (the scammer) gave him various reasons why he couldn’t. He told Wise he was contacted by US law enforcement who said he’d been the victim of a scam using cloned websites and shares had never been purchased.

Below are the payments Mr L made from his account with Wise to the supposed investment firm:

Date	Type of transaction	Amount
30 August 2023	Transfer	£3,333.23
6 September 2023	Transfer	£2,212.36

Mr L complained to Wise, and his complaint wasn’t upheld. Unhappy with Wise’s response, Mr L raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. They didn’t think the payments ought to have caused Wise concern such that it should have intervened prior to processing the payments.

As an agreement could not be reached, the complaint has 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.

I’m sorry that Mr L has been the victim of a scam. I realise he’s lost a significant sum of money and I don’t underestimate the impact this has had on him. And so, I’d like to reassure him that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr L but having done so, I won’t be upholding his complaint for broadly the same reasons as our Investigator. I’ll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr L authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Wise should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Wise acted fairly and reasonably in its dealings with Mr L when he made the payments, or whether it should have done more than it did. In doing so I've considered what Wise knew about the payments at the time it received Mr L's payment instructions and what action, if any, Wise took prior to processing the payments.

I don't think the payments were of an unusually excessive value that they would suggest to Wise that Mr L was at a heightened risk of financial harm from fraud such that it should have intervened. Also, the payments were made a week apart and to a beneficiary bank in the UK which will have added some reassurance for Wise. These payments were for investment purposes which is what Mr L had told Wise he intended to use the account for when he opened it shortly before making the payments. I therefore don't think the payments were suspicious in nature and so it was reasonable for Wise to process the payments in-line with Mr L's instruction to do so.

Although I don't think the payments suggested Mr L was at risk of financial harm from fraud such that Wise ought to intervene, Wise told us it did for the second payment, so I'll comment on that intervention. It said it displayed a message that this could be a scam and asked Mr L for the purpose of the payment to which he selected investment. It says it displayed other scam warnings, but Mr L moved passed them and continued with the payment. I don't think further intervention was necessary or would have made a difference to the outcome as Mr L was confident the investment was genuine, and the beneficiary appeared on Companies House which I think would have reassured Mr L. So, if Wise intervened further, I'm not persuaded it would have uncovered the scam.

Recovery

I've thought about whether there's anything else Wise could have done to help Mr L — including if it took the steps it should have once it was aware that the payments were the result of fraud.

Wise contacted the beneficiary bank and it confirmed no funds could be recovered. Scammers typically move money on quickly to avoid having it returned to their victims and Mr L contacted Wise about the scam in April 2024. I'm satisfied Wise did what it could, but the funds couldn't be recovered.

I'm sorry to disappoint Mr L further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Wise needs to refund his money or pay any compensation. I realise this means Mr L is out of pocket and

I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 24 July 2025.

Charlotte Mulvihill
Ombudsman