

The complaint

Mr S complains that Wise Payments Limited trading as Wise won't refund money he said he lost to a scam.

A firm represents Mr S, but for ease I have referred to Mr S in this decision.

What happened

Mr S said between August 2022 and September 2022 he made payments of over 88,000 EUR towards what he thought was a genuine cryptocurrency investment opportunity.

Mr S said he came across an advertisement for the investment opportunity on an online video sharing platform and he registered his interest. Mr S said he was contacted by someone claiming to be an accounts manager working for the investment firm. He said he later attempted to withdraw funds from the investment and he was told the account was under investigation by the regulators, he was also asked to make further payments before he could make a withdrawal.

Mr S received £23,002.37 into an account held externally but he said he was asked to make further payments before he could make any further withdrawals. After complying with the request, he was still unable to withdraw his funds and it was at this point Mr S realised he had fallen victim to a scam. Mr S complained to Wise, but it didn't uphold his complaint.

Our investigator also didn't think the complaint should be upheld. While she thought Wise ought to have intervened, she didn't think Mr S would have provided accurate information even if it had done so. As such she didn't think the scam would have been uncovered.

Mr S and his representative didn't accept our investigator's view. 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.

In broad terms, the starting position in law is that Wise is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute that the payments were authorised by Mr S, in accordance with the Payment Services Regulations and the terms and conditions of the account, he is therefore responsible for the loss

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Wise should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud.

I think it ought to have intervened before processing the payment of £27,800.28 Mr S made on 30 August 2022. By the time the payments were being made, banks and other payment service providers would have been aware of an increase in cryptocurrency related scams. Many high street banks had already begun to place restrictions on cryptocurrency related transactions and I think Wise ought reasonably to have been alert to this. Regardless, when considering the value of the payment, that it was significantly higher than the earlier payments and that this was a newly opened account, I think Wise ought to have been concerned that Mr S might be at an increased risk of harm from fraud and enquired further about the circumstances surrounding the payment. However Wise has not shown that it intervened in any of the payments Mr S made towards the scam.

While I think Wise could have done more here, I must also consider whether intervention would have been effective and prevented Mr S's loss. I'm not persuaded it would. I say this because, Mr S made other payments towards the scam from his external bank accounts, one of which is with a bank I'll refer to as B. I note B warned Mr S in December 2021 that the investment may be a scam. So I find Mr S was on notice and opted to proceed with the investment. I also note that Mr S was uncooperative when B questioned him at the time. He gave misleading information to both banks on several occasions prior to and around the time he made this payment. Where the bank is not provided with accurate information, it is prevented an opportunity to protect its customer from financial harm resulting from a scam.

It is clear to me that Mr S was under the spell of the scammer, determined to make the payments and willing to mislead the bank to ensure the payments would be made. So it follows that I am not persuaded that Mr S would have heeded any warnings from Wise or been forthcoming with the relevant information for it to have been able to uncover the scam.

I've thought carefully about everything that's happened here. I understand that Mr S has been the victim of a cruel scam and that the losses incurred are not insignificant. But I could only uphold this complaint and require that Wise refund the payments if I thought any errors on its part made a material difference and I'm not persuaded they would. As such, I can't fairly or reasonably require that it reimburse the money Mr S lost.

My final decision

For the reasons outlined above, 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 S to accept or reject my decision before 28 July 2025.

Oluwatobi Balogun
Ombudsman