

The complaint

Miss W complains that Wise Payments Limited decided not to refund her the money she lost through a scam.

Miss W has brought her complaint to us via a representative but I will refer to her throughout for simplicity.

What happened

On 1 December 2023, Miss W opened an account with Wise.

Wise said that just prior to the opening, Miss W transferred an amount of £4,482 from her account with a high street bank to a Wise account held by her partner. On 5 December, Miss W's partner transferred £4,482 from their Wise account to Miss W's newly opened Wise account.

On 6 December, Miss W transferred £4,482 from her account to another Wise account held by a third party.

Miss W alerted Wise on 13 December 2023 that she'd been the victim of a scam when she made the transfer to the third party and asked for help in recovering her money. Wise said that the money Miss W had sent to the third party had been transferred out of that account within hours of the transfer, and so its recovery wasn't possible by the time she got in touch.

Miss W complained to Wise in June 2023 that it failed to protect her from being scammed. Wise said that it completed the transfer order as directed and that it fulfilled its contractual obligations as a money remittance service.

Miss W referred her complaint to us and one of our investigators looked into it. They didn't recommend that the complaint be upheld as they found that Wise wasn't responsible for Miss W's loss.

Miss W didn't accept this recommendation and asked for the complaint to come to an ombudsman 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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

Miss W told us that her partner was the victim of an employment-related scam, and that they had been in contact with the person responsible via an online messaging service for some time before she got involved. Miss W said she transferred £4,482 to the scammer on

her partner's behalf on 6 December 2023, and in this way she too became a victim of the scam.

It's not in dispute that Miss W lost her own money to the same scam that her partner fell victim to, and I am sorry that she's found herself in this situation. The Lending Standards Board's Contingent Reimbursement Code, which offered scam protection and potential reimbursement to customers, was in place. However, Wise hasn't signed up to the code and so it isn't relevant to Miss W's case.

In broad terms, the starting position in law is that Wise is expected to process transactions that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, this doesn't automatically mean that it cannot bear any responsibility for what happened to Miss W.

Wise can delay a payment if it has reasonable grounds to suspect it was placed subsequent to fraud or dishonesty perpetrated by someone else. And the terms and conditions of the account (July 2023) state that Wise may suspend access to an account or its services where it reasonably suspects unauthorised or fraudulent use, including limiting the ability to send money or make withdrawals.

Wise also has a regulatory responsibility to conduct its business with due skill, care and diligence, to pay due regard to its customers' interests and treat them fairly, and to take steps to reduce the risk that its systems might be used to further financial crime. In practice, this means keeping customers' money safe and taking steps to prevent financial harm.

In this case, I need to decide whether Wise acted fairly and reasonably in its dealings with Miss W when she authorised the transfer from her account or whether it could and should have done more before processing it.

Should Wise have recognised that Miss W was at risk of financial harm from fraud?

Miss W told Wise that the reason for opening her account was to make 'payments to friends and family' and when she made the transfer she selected the same reason. So it seems Miss W was using the account as she intended, which wouldn't raise concerns.

There were few transactions on the account prior to the transfer in question and so there was no change in account use that might have alerted Wise to a potential fraud risk. The amount of money Miss W was transferring wasn't so significantly large that it was obvious Wise should have considered it a potential indicator of fraud, without any other knowledge of Miss W's means or spending ability.

In addition, the payments into and out of Miss W's account were in fiat currencies as opposed to cryptocurrency, which might have given rise to concern given the prevalence of scams involving digital currency.

Altogether, I don't think that this transfer was so unusual or outside expectations that Wise ought to have intervened beyond its usual measures.

At the time Miss W made the payment, Wise had no concerns about the recipient account (also held with Wise).

What action, if any, did Wise take?

The transfer request triggered Wise's usual fraud prevention measures. An automatic written warning was given to Miss W entitled "Protect yourself from scams" which stated "This could

be a scam. Tell us what this transfer's for and we can give you advice."

The response options included:

- Sending money to yourself
- Sending money to friends and family
- Paying for goods or services
- Paying a bill (e.g. utilities or tax)
- Making an investment
- Paying to earn money online

By selecting 'sending money to friends and family' Miss W was asked questions and received advice relating to that payment reason. I can't say Wise was at fault here for not providing different advice, for example relating to 'Paying to earn money online', which might have resonated more with Miss W.

There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments. Whilst businesses have an obligation to act in their customers' best interests, they can't reasonably be involved in every transaction. To do so would involve significant disruption to legitimate payments.

I think Wise's response here was proportionate. Wise is obliged to process payments efficiently without undue delays and, overall, I don't think it treated Miss W unfairly or without regard to her interests by doing so in this case.

Should the wider circumstances of the transfer have caused concern?

Miss W said that Wise should have considered that the payment pattern represented a money laundering risk, as the money was transferred into her account and the exact value of funds was then sent onto someone else.

I don't know why Miss W sent funds to her partner's Wise account in the first instance and later opened her own Wise account and transferred funds to the third party. However, I don't think this sequence of transfers alone should have prompted concern. The amount involved wasn't so large as to pose an obvious money laundering risk, the money originated with Miss W and the reason for the transfer out of her account aligned with its declared purpose.

Could Wise have recovered Miss W's money?

I have reviewed what happened when Miss W told Wise about the scam. The Terms and Conditions of her account state that transactions are final and irrevocable once requested, and Wise says it doesn't have the ability to be involved in disputes between senders and recipients.

Miss W transferred money to another Wise account and Wise has provided evidence which shows the money left this account within hours. Miss W didn't get in touch with Wise about the transfer until a week had passed. In the circumstances, there was nothing Wise could do to recover Miss W's funds.

I don't doubt that this has been a difficult experience for Miss W. I am sorry she's lost her money and that I can't provide the resolution she's hoping for. For the reasons I've explained, I can't fairly hold Wise responsible for her loss and so I am not upholding her complaint.

My final decision

I am not upholding Miss W's complaint about Wise Payments Limited and don't require it to take any action in this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 29 July 2025.

Michelle Boundy
Ombudsman