

The complaint

Mr O complains that Wise Payments Limited ('Wise') won't refund money he lost as part of a scam.

Mr O is professionally represented, however, to keep things simple, I'll refer to Mr O throughout my decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything in detail here.

In summary, Mr O has explained that during October 2023 he made five payments from his Wise account to buy cryptocurrency which he ultimately lost to an investment scam.

Mr O has explained that he was deceived by scammers into making payments towards what he thought was a legitimate investment with a company I will refer to as 'A', who we now know to be scammers. Mr O said he made the following payments from his Wise account as part of the scam:

Payment	Date	Transaction type	Amount
1	10 October 2023	International transfer	6,900 EUR
2	11 October 2023	International transfer	6,900 EUR
3	24 October 2023	International transfer	600 EUR
4	24 October 2023	International transfer	2,500 EUR
5	26 October 2023	International transfer	3,750 EUR
Total loss:			20,650 EUR

The funds were then moved from the crypto platform onto the scammers.

Mr O said he realised he had been scammed in November 2023, when he attempted to make a withdrawal, only to be told he would need to pay fees for it to be processed.

Mr O raised a complaint with Wise. However, they didn't think it had done anything wrong by allowing the payments to go through. In summary they said:

- It doesn't appear Mr O conducted sufficient due diligence on A before deciding to invest with them.
- He allowed a stranger to install unknown potentially harmful software on his computer which is against the terms of their agreement.
- They simply completed the transfer orders as directed by Mr O; therefore, they fulfilled their contractual obligations.

Mr O was unhappy with the response from Wise, so he referred his complaint to the Financial Ombudsman Service.

Our Investigator explained, although he recognised Mr O made the payments as a result of fraud, he didn't think the payments were particularly unusual or suspicious in appearance for Wise to have been concerned by them.

Mr O didn't agree. In summary, he said:

- Given the value of the payments from the outset, Wise should have intervened.
- He felt Wise should have questioned why he needed to make two identical payments on two consecutive days.
- As Wise had no prior account history for him, they should have contacted him and fully investigated large international transfers large transaction from a new account before allowing it to be processed.

As no agreement could be reached the complaint has been passed to me for a final decision on the matter.

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.

Having done so, I'm not upholding the complaint, for the same reasons given by the Investigator. I appreciate this will come as a great disappointment to Mr O, who has sadly lost money to a cruel scam. I have a great deal of sympathy for what he's been put through at the hands of the scammer. But, on balance, I can't fairly say Wise should be held responsible for the loss. That's because I don't consider Wise would have been sufficiently on notice that Mr O might have been falling victim to a scam, and I also don't think the funds could have been recovered once the fraud was reported. I've explained my decision below.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI), like Wise, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account and the Payment Services Regulations (in this case the 2017 regulations). Mr O 'authorised' the transactions in question (he made them), albeit under the false belief they were for a legitimate investment opportunity. So, Wise were under an obligation to process the payments – but that isn't the end of the story, as far as the EMI's responsibility goes.

While that's the starting position, I've also taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. To note, as Wise is not a signatory to the Contingent Reimbursement Model Code ('CRM Code') the principles of it do not apply in this case.

From this, I consider Wise should fairly and reasonably have been on the lookout for the possibility of Authorised Push Payment fraud at the time, and intervened if there were clear indications their customer might be at risk.

Wise has a difficult balance to strike in how they configure their systems to detect unusual activity indicative of a higher risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect Wise (or any business) to check each one. In situations where Wise does decide to carry out further checks, I would expect that intervention to be proportionate to the circumstances of the payment. The first question for me to decide is whether the disputed transactions ought to have looked concerning enough to have prompted fraud enquiries.

The account was newly opened when the disputed transactions were made. So, I've

considered the nature of the payments and the amounts involved. I don't think the payments were identifiably going to cryptocurrency as the platform the payments were made too is not common and not one you can easily find via search engines on the web. Also, as there was no account history to compare the payments with, so, Wise didn't know what normal activity looked like for your account.

The five payments were also spread over a two-week period, and didn't escalate in frequency or value in a way which can sometimes indicate a scam is taking place. Wise is a business which specialises in international payments and although it provides accounts which can be used for everyday spending, Mr O's transfers were international payments. And it's likely that many customers of Wise will use its services in this way – opening an account in order to make international payments and only using the account when they need to make such payments. As such, while there are no previous transactions, accounts of this nature are typically used in this way, so I don't feel Wise needed to take any further action when the payments were being made.

I appreciate Mr O feels the first two payments were of high value and Wise should have intervened, but this doesn't in itself suggest a heightened risk of fraud. Customers often use Wise to make larger value international payments – as this can help them avoid fees. And based on the circumstances the payment value and pattern wasn't unusual or suspicious enough to warrant further checks before Wise processed them.

However, even if I was to agree with Mr O that Wise should have intervened before processing one of the payments, I need to consider what a proportionate intervention would have looked like for the risk level identified. Even if it could be argued the second payment Mr O sent ought to have triggered Wise's fraud detection system, I am satisfied it wouldn't have resulted in a different outcome. I say this because, if the second payment had triggered Wise's fraud detection system, it would have been proportionate for Wise to provide a better automated warning. However, having reviewed Mr O's scam chats with A, I'm not persuaded that a better automated scam warning would have prevented Mr O from proceeding with the payments. This is because he was being heavily coached by A in what to say if he was faced with any challenges from the banking providers he was using. So, even if I was to say the second payment should've prompted Wise to provide a warning before processing it, I'm not persuaded it would have prevented Mr O from making the payments, or the loss that ensued, for the reasons I have explained.

As it stands, overall, I don't consider the payments Mr O made to have been remarkable enough to have warranted Wise to act and contact him before processing them. But even if they did, I'm not persuaded it would've made a difference.

Recovery

I've also gone on to consider if Wise took reasonable steps to try and recover the funds once it was made aware of the scam. The first payment was made on 10 October 2023 but Mr O didn't make Wise aware of the scam until 12 December 2023. Wise have provided evidence to show their fraud team reached out to the receiving bank and they received a response to say as the service had been provided, no refund would be given. As such, I am satisfied Wise couldn't do anymore in the circumstances.

I'm very sorry Mr O has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Wise responsible for his loss.

My final decision

I don't uphold Mr O's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 9 July 2025.

Israr Ahmed
Ombudsman