

## The complaint

Mr D complains that Wise Payments Limited won't refund the money he lost when he was the victim of a scam.

## What happened

In January 2024, Mr D received a text message from someone who said they were from a recruitment agency and had a potential job for him. And as Mr D was interested in earning some extra income, he replied and was then contacted by someone who said they worked for a film marketing and data company. He was told the job involved helping cinemas boost their sales and visibility, and that he would be paid commission for each set of tasks he completed.

Mr D was given access to the company's platform, where he could see the tasks he could complete and the commission he had earned. And he was shown how to send money to the platform, which he would use to pay for some of the tasks he was to complete. Mr D then made a number of payments from his Wise account to the bank details he was given for the company.

I've set out the payments Mr D made from his Wise account below:

Date	Details	Amount
14 January 2024	To 1 <sup>st</sup> payee	£50
16 January 2024	To 2 <sup>nd</sup> payee	£56
16 January 2024	To 2 <sup>nd</sup> payee	£53
17 January 2024	To 3 <sup>rd</sup> payee	£100
17 January 2024	To 3 <sup>rd</sup> payee	£101
17 January 2024	To 4 <sup>th</sup> payee	£361
17 January 2024	To 4 <sup>th</sup> payee	£305
17 January 2024	To 4 <sup>th</sup> payee	£696
17 January 2024	To 5 <sup>th</sup> payee	£600
17 January 2024	To 6 <sup>th</sup> payee	£402

Unfortunately, we now know the marketing and data company was a scam. The scam was uncovered after the company told Mr D he had to pay increasingly large amounts of money before he could complete the tasks he had been given. Mr D then realised he had been the victim of a scam and reported the payments he had made to Wise.

Wise investigated but said it had completed all the payments as directed and had no reason to believe the payments Mr D made weren't legitimate at the time. It also said it hadn't been able to recover any of the money from the accounts it was sent to. So it didn't refund any of the payments Mr D had made. Mr D wasn't satisfied with Wise's response, so referred a complaint to our service.

One of our investigators looked at the complaint. During our investigation, Wise said an error meant it hadn't refunded some money recovered from two of the accounts the payments

were made to. It said the refunds had now been paid and offered to pay Mr D £20 compensation for this error, which our investigator felt was fair. But our investigator didn't think Wise should have been expected to prevent the scam, so didn't think it should have to refund anything further. Mr D disagreed with our investigator, so the complaint has been passed to me.

### **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 don't think it would be fair to require Wise to refund anything further to Mr D. I'll explain why below.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

And Mr D accepts he made the payments here. So while I recognise he didn't intend for the money to go to scammers, he did authorise the payments. And so the starting position in law is that Wise was obliged to follow his instructions and make the payments. So Mr D isn't automatically entitled to a refund.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in January 2024 Wise should:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

And so I've also considered whether Wise should have identified that Mr D was at heightened risk of financial harm from fraud as a result of any of these payments.

But the payments Mr D made here weren't for particularly large amounts, or for amounts where I'd expect Wise to identify them as suspicious based on their size alone. It wasn't unusual for Mr D to make a number of payments from his account on the same day. And the payments went to a number of different payees and fluctuated up and down in size – so I don't think they formed a particularly suspicious pattern.

And so I wouldn't have expected Wise to identify that Mr D was at heightened risk of financial harm from fraud when making these payments. And I don't think it's unreasonable that it didn't take any further steps or carry out any additional checks before allowing them to go through, and just followed his instructions to make the payments.

I sympathise with the position Mr D has found himself in. He has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to him. But, for the reasons I've set out above, I don't think Wise has acted unreasonably or that anything I would reasonably have expected it to do would have prevented his loss. And so I don't think it would be fair to require it to refund the payments he made.

We also expect firms to take reasonable steps to try to recover any money their customers have lost, once they are made aware of the scam. From the evidence I've seen, the money sent to all but two of the payees was removed from the accounts it was sent to before Mr D reported the scam to Wise, so I don't think anything I would have expected Wise to have done would have been able to recover this money.

Wise has said £109 and €2.31 was subsequently recovered from the other two accounts the money was sent to, but that an error meant this wasn't paid to Mr D. I therefore think it would be fair for these amounts to be paid to Mr D and for Wise to pay him £20 as compensation for the distress and inconvenience this error caused him.

### **My final decision**

For the reasons set out above, I uphold this complaint in part and require Wise Payments Limited to:

- Pay Mr D the £109 and €2.31 recovered from the receiving accounts, if it has not already done so
- Pay Mr D £20 compensation, if it has not already done so

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 14 March 2025.

Alan Millward  
**Ombudsman**