

The complaint

Ms F complains Wise Payments Limited didn't do more to help her after she was defrauded.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In July 2023, Ms F received an unexpected message from an unknown third party, who for ease I will refer to as Mr B, via a social media platform.

After exchanging messages over several months, Mr B began to ask Ms F for money to assist with legal expenses. Once Ms F had sent the funds to Mr B, he then began asking her for financial assistance with a personal family matter.

Ms F sent the following payments from her Wise account to accounts instructed by Mr B:

Date	Type of payment	Amount
11 October 2023	International payment	17,700 NZD
13 October 2023	International payment	21,000 NZD
23 October 2023	International payment	15,000 NZD
27 October 2023	International payment	2,600 NZD
14 November 2023	International payment	24,000 NZD

When Mr B began to ask for further funds, Ms F realised she'd been the victim of fraud and reported the matter to Wise.

Wise considered Ms F's complaint, but it found that it had made no error in processing the payments Ms F had instructed. It also said that it asked her for her consent to process a recall of the funds, but as she'd not responded, this hadn't been actioned.

It did however contact the beneficiary financial businesses to report the matter once Ms F had contacted them again to raise her complaint. However, no funds remained to recall.

Ms F, unhappy with Wise's handling of her claim, referred her complaint to this service for an independent review. An Investigator considered the evidence and testimony provided by both parties, but concluded that Wise ought to have done more to protect Ms F from the first payment she'd made. She recommended that Wise pay Ms F half of the funds she'd lost, which reflected Ms F's joint liability in not better protecting herself.

Wise didn't agree. It argued that the payments made fell in line with Ms F's regular account

activity, therefore presented no fraud risk. It highlighted that it had provided a low friction warning when Ms F initiated the second of the payments listed in the table above, but Ms F didn't respond honestly when questioned as to the purpose of the payment. Lastly, it argued that due to the nature of the fraud, Ms F was likely so invested in the relationship that she'd struck up with Mr B that any intervention likely wouldn't have made a difference.

As Wise disagreed with the Investigator's assessment and recommendations, the matter has now 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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm 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.

There is no dispute here that Ms F authorised the transactions in question. And the starting position in law is that Ms F will be held liable for transactions she authorised in the first instance. That's due to a primary obligation on Wise to process payments in accordance with its customer's instructions, set out in the Payment Services Regulations 2017.

However, taking into account the additional considerations above, Wise ought reasonably to have been on the lookout for any transactions that would indicate Ms F was at risk of financial harm. And where it identifies a risk, it ought to intervene proportionately and provide warnings.

Should Wise have identified that Ms F was at risk of financial harm from fraud?

Ms F's Wise account was a well-established one. Ms F opened her account with Wise almost a decade prior to making the transactions in dispute and regularly used it for card payments, and money remittance services. So it's fair to say that Wise had a sufficient history of Ms F's spending behaviour.

Having analysed Ms F's account statements in the 12 months leading up to the fraud, I can see that she used the account for day-to-day expenditure, mainly consisting of low value card payments. She also used the account regularly—mostly several times a month—to carry out international money transfers. The majority of these transfers are for relatively low amounts, with the highest being for 4,466 Euros; and this payment stands out from the others on the account.

The first of the payments Ms F made in the table above—using conversions at the time—represented just over 10,000 Euros: more than double that of the highest payment Ms F had made in the 12 months preceding. It was also to a payee she had never paid before and to accounts in countries she had not previously made payments to.

When considering all of these factors collectively, I find that there were multiple indicators here that Ms F was at risk of financial harm from fraud. The payment fell well outside Ms F's normal spending behaviour and presented several characteristics typically seen in payments associated with fraud.

For these reasons, I find Wise ought to have been concerned. And that concern was great enough that it ought to have been responded to by contacting Ms F to find out why she was

making the payment, with a goal of eliminating the possibility she was at risk.

Wise has argued in its response to our Investigator's view that:

- Ms F had made significantly higher payments on the account previously.
- The account cannot be held to the same standard as a traditional bank, where more oversight is available on typical spending behaviours.
- The nature of its business is to allow occasional international money transfer services. Therefore, placing an onus on the business to intervene in such payments is unreasonable.

I have considered these arguments, but respectfully disagree with Wise's submissions.

The payment it has referred to in its response was carried out over a year prior to the transactions subject to this dispute, reinforcing my view that this payment was out of character considering the infrequency of such payments.

I also find the second argument to be an unreasonable one. Wise are not being held to a standard that is higher or lower than a traditional bank account. I have made my findings based upon the typical usage of the account. And having done so, the payments clearly stand out.

While I can appreciate Wise's argument regarding the nature of the transactions it typically processes, this does not relinquish its responsibilities to detect and prevent fraud. This is especially so where there is not only a clear indication that its customer's account is being used in a way that isn't consistent with their regular usage, but presents characteristics commonly seen in payments associated with fraud.

Would an intervention by Wise likely have prevented the fraud?

In coming to a finding on this question, I acknowledge that I cannot know for sure how Ms F would have responded to any intervention from Wise. I can however, using the information available to me, make a finding on what I think would likely have occurred.

Wise has, in its response to our Investigator's view, alluded to the fact that Ms F may not have been honest as to the purpose of the payment she was making. It has drawn that conclusion from the fact that it did indeed intervene in the second payment made in the table above.

That intervention wasn't carried out by a representative of Wise. Instead, its automated systems requested that Ms F declare the purpose of the payment, displaying a number of preset responses. Ms F chose the option 'something else'. She then manually typed "*final completion of payments of goods and services*". I don't find it reasonable to conclude that based on these responses Ms F was being dishonest as to the purpose of her payment. This did reflect accurately what she thought she was making the payment for.

I have also seen no evidence to suggest the fraudster was attempting in any way to tell Ms F how to process the payment or how to respond to questioning. I therefore find that it's likely Ms F would have answered truthfully had Wise contacted her as to the purpose of the payment.

To a professional well versed in matters of fraud, Ms F's circumstances bore all of the hallmarks of a romance fraud. And had this been relayed to Ms F, I find it likely she would have been alerted to the fraud.

Wise has argued in its submissions that it is common for victims of romance fraud to be so emotionally entrenched in their relationship that interventions seldom have impact on their decisions. But there is no evidence to persuade me that this would have been the case in the circumstances of this specific complaint.

I find it likely that had Wise made Ms F alive to the fact that her circumstances matched exactly what is typically seen in romance frauds, she likely would have taken notice; this is particularly pertinent considering she was seemingly unaware of romance frauds.

Overall, I'm satisfied that an intervention more likely than not would have prevented Ms F from falling victim to the fraud.

Should Ms F share responsibility for her loss?

Having considered the evidence carefully, I do find Ms F ought to have done more to protect herself from this fraud.

I would like to point out that I realise this has been an awful experience for Ms F to endure. And my intention is not to hold her responsible for the actions of the callous fraudster who has committed this offence against her. But I must take into account what the law says about contributory negligence and apply that to the circumstances of her complaint.

Ms F met the fraudster online. And the initial contact made was by way of an unexpected message to her via a profile she did not know and could not verify. This ought to have been met with a degree of caution and suspicion.

While I acknowledge that Ms F and the fraudster slowly built rapport over a period of months through conversation, this shouldn't detract from the fact that the individual she was communicating with remained unknown to her in a personal capacity. They had not met, nor could Ms F verify that they were who they claimed they were.

This, along with sudden requests for funds to be transferred to unknown associates, ought to have raised sufficient alarm bells for Ms F to take a step back and look at the situation objectively. I realise Ms F was acting in good faith and merely attempting to help a person in need. But she ought to have considered the wider circumstances and heeded some of the red flags that were present.

For these reasons, I agree that Ms F ought to take equal responsibility for her loss.

Putting things right

Wise should now reimburse Ms F 50% of the loss she suffered from this fraud and include any fees and charges associated with those payments. This is to ensure Ms F is put back into the position she would have been in had the fraud been prevented.

It should also pay 8% simple interest per annum on the amount lost, from the date the payments were made to the date of settlement. That's to reflect the deprivation of those funds for the duration, as Wise could have prevented their loss from the outset.

My final decision

For the reasons I have given above, I uphold this complaint and direct Wise Payments Limited to:

- Reimburse Ms F 50% of her loss, including any fees and charges associated with

those payments.

- Pay 8% simple annual interest on that reimbursement from the date the payments were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 18 September 2025.

Stephen Westlake
Ombudsman