

The complaint

Mr S is unhappy that Wise Payments Limited, trading as Wise, will not refund £4,469.21 that he lost as the result of an Authorised Push Payment (APP) scam.

What happened

As both parties are familiar with the details of the scam, I will not repeat them in full here. In summary, Mr S fell victim to a job/task scam. He had to pay to access the tasks (watching film trailers to rate and review movies) in order to earn commissions. He made the following faster payments to five different personal accounts held at Wise.

payment	date	value
1	17/11/2023	£50.21
2	18/11/2023	£50
3	18/11/2023	£46
4	19/11/2023	£50
5	19/11/2023	£89
6	19/11/2023	£78
7	20/11/2023	£50
8	20/11/2023	£216
9	20/11/2023	£496
10	20/11/2023	£1,128
11	20/11/2023	£2,216

He realised he had been scammed when he it was costing him more and more to work and he couldn't access his commissions. Mr S says he reported the scam to Wise in November 2023, it says he did not do so until October 2024. I have checked this point with both parties. Wise reconfirmed it was October 2024 and sent a copy of Mr S's first email about the scam. Mr S said he would have to ask Wise to provide evidence of his earlier contact, but as I've said it does not have any. On balance, from the available evidence I cannot fairly conclude the scam was reported before October 2024.

Mr S says Wise did not do enough to protect his money. He is unhappy Wise did not do more to investigate and help him recover his money. He feels the new legislation that came in recently should mean he is compensated.

Wise says it cannot be responsible for any circumstances outside of our control, such as when a loss occurs as a result of fraudulent behaviour of the recipient after a payment has been made. It warned Mr S that all the payments were at risk of being a scam when he set them up and explained it could be difficult to recover the funds in case of fraud.

Our investigator did not uphold Mr S's complaint. He said Wise did not need to intervene in any of the payments as there were no indicators of possible financial harm. Nevertheless, it had given scam warnings, but these were not tailored to job/task scams as Mr S had

selected 'Good or services' as the payment purpose each time. By the time Wise was notified of the scam there were no funds remaining in the recipient accounts to recover.

Mr S disagreed with this assessment and asked for an ombudsman's review.

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.

I'm sorry to hear that Mr S has been the victim of a cruel scam. I don't underestimate the significant impact – emotionally and financially – this scam has had on him. But, having considered everything, I'm not upholding his complaint. I'll explain why.

The starting point at law is that Mr S is responsible for any payments made from his account which are properly authorised. This position is set out in the Payment Service Regulations (2017) and confirmed in his account terms and conditions. There's no dispute on the question of authorisation here. Mr S has confirmed he made the payments, albeit as part of a scam.

Wise ought fairly and reasonably to have systems in place to monitor accounts and transactions for signs of fraud and scams. And, where there's an identifiable risk of financial harm, it might be fair and reasonable for an apparently legitimate payment instruction to be stopped and questioned.

In this case I am not persuaded that Wise needed to do more before processing the payments. Mr S had opened the account with Wise on 12 September 2023 giving the purpose as 'to send money to family and friends'. These payments were the start of his account activity and did not obviously contradict that purpose. Nor were they what would be seen as high value, or identifiably to a higher-risk beneficiary such as a cryptocurrency exchange. So, in the round, I don't think any of the payments ought to have triggered an intervention from Wise.

Nonetheless, Wise presented an automated scam warning message at the time of each transaction. Mr S did not select the payment purpose that accurately matched what he was doing (Paying to earn money by working online). This meant Wise was prevented from giving him further information on the key characteristics of job/task scams which might have alerted Mr S to the risk he was taking on. I note his comment that this was on the scammer's instructions, and although I cannot find evidence of this in their messaging, this would not change the fact that he made the decision to select an inaccurate purpose.

It follows I do not find Wise can fairly be held liable for Mr S's losses.

I have then thought about whether Wise did what we would expect to recover the money once it was made aware of the fraud. As the recipient accounts had been deactivated with no funds remaining by the time the claim was made I cannot find it failed in this regard.

Mr S argues that his account should have been closed as soon as he first reported the scam, but we wouldn't necessarily expect a firm to do this in scam case unless it has been compromised. As the investigator said, this was done later on, but Wise are allowed to close an account in line with its terms and conditions of your account. If Mr S is unhappy with how this was done he would need to raise a separate complaint, first to Wise to give it the chance to respond.

Finally, Mr S referenced new rules that should mean he receives a refund. The

Faster Payment Services and CHAPS Reimbursement Rules came into force on 7 October 2024, and only apply to payments that were made on or after that date.

This means I am not instructing Wise to refund any money to Mr S. This is a difficult decision to make, I'm sorry Mr S lost a considerable amount of money which was distressing for him. I can understand why he would like to be compensated for his losses. And I do accept Mr S has fallen victim to a sophisticated scam. But I can only consider whether Wise, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Wise can be held liable in the circumstances of this case.

My final decision

I am not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 September 2025.

Rebecca Connelley
Ombudsman