

The complaint

Mr S complains Wise Payments Limited ("Wise") declined to refund payments after he fell victim to a scam.

What happened

In July 2023, Mr S said he made enquiries online into an investment and shortly after he received contact from an individual claiming to be from a company I'll call 'O'. He made an initial payment for the investment and kept in contact with the firm regularly over the next few months. In that time, Mr S said he had access to a trading platform and could see the investment performance.

Mr S explains he later spoke with the individual about investing further and agreed to send a larger payment as part of the investment. He initially spoke to another of his banking providers about this but was warned the investment was likely a scam. After speaking with the individual about the warning, he said he was assured it wasn't a scam. He was then told to download a remote software programme and open an account with Wise, which he said was done with this individual's assistance, where he could transfer his money into from his other banking provider.

Mr S then agreed to make an initial payment for £5,000 but saw that £8,500 had been invested instead. He said he expressed his concern with the individual that a larger amount was taken but didn't press on it further as he was involved with the payment and had agreed on the investment.

Mr S said he was told by this individual they would be investing in P, and he received receipts to confirm each payment. He said he then had concerns where the individual told him they were due to go on leave and their manager would be taking over. He then noticed a payment to K that he said he informed Wise he'd cancelled, and a further payment he didn't recognise. He said he came to realise he'd been scammed where he discovered payments had been made that he didn't recognise.

I've set out below a complete list of payments Mr S has raised as part of his fraud claim with Wise:

Date	Beneficiary	Amount
17 October 2023	'P'	£8,500
24 October 2023	'P'	£11,500
31 October 2023	'P'	£5,000
14 November 2023	'K'	£6,000
22 November 2023	'D'	£4,040

Mr S also said he noticed that multiple payments were moved from his other banking provider into his Wise account by this individual after receiving alerts that he then responded positively to, but believed this individual was helping him because of his plans around his employment.

Mr S reported the scam to Wise, but it declined to refund him. And following a complaint made, Wise issued its final response letter on 13 March 2024. It said it completed the payments as directed so couldn't refund his full loss, but it agreed to refund 50% of the last two payments which came to £5,020. It said it could have done more to have stopped these payments, but it considered Mr S contributed to his losses. Unhappy with its decision, Mr S referred his complaint to our Service.

One of our investigators looked into the complaint and didn't uphold it. In summary they considered the payments were authorised by Mr S and Wise couldn't have done anything more in terms of stopping or recovering the payments. Mr S didn't agree, providing a comprehensive response. I've summarised the key points below:

- Mr S said he only agreed to one payment to P and didn't give authority in other ways such as through remote software for other payments. He added that it was clear that these individuals had access to his device each time through remote software and malware that was on his device.
- He voiced his concerns about being scammed but his account wasn't fully blocked.
- He would fulfil all the rules to be considered for a full refund under the new Authorised Push Payment ("APP") reimbursement scheme.

So the matter has been passed to me to decide. Whilst Wise addressed Mr S's complaint about his account being closed in its final response, it doesn't appear this is a point Mr S is actively pursuing with our Service.

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 uphold this complaint.

Wise made an offer to pay £5,020 to settle the complaint prior to our Service's involvement. Mr S should contact Wise directly if he now wishes to accept this.

I can see Mr S provided comprehensive responses to our investigator's findings, and I understand this complaint is really important to him and the loss has significantly impacted him.

I'd like to start by reassuring Mr S that although I've only summarised what's happened and the points that I think are key to deciding the complaint, I've carefully considered everything he's provided. I don't mean this as a disservice, this is just a reflection of the informal nature of our Service. And part of my role is to identify the core issues I need to address in order to reach a fair outcome. This means I might not cover everything he has said, but I will give my reasons for the outcome I've reached.

Having considered this complaint, I think Wise has acted fairly in treating the disputed

payments as authorised for the following reasons:

- It's not in dispute the first payment to P was authorised. Although the amount was more than what Mr S was expecting to pay, it would still be considered authorised in line with the Payment Services Regulations 2017 ("PSRs"). This is because the PSRs doesn't specify the payment value must be known when authorising a payment, but also because he gave authority to a third-party to make this payment on his behalf.
- The technical data Wise has shared shows there was one device registered to the account. And it seems this was Mr S's device from which he said he downloaded a remote software program onto his computer and opened a Wise account with help from the fraudster.
- Whilst Mr S has said that he only knew and gave authority for the first payment to P, and that he was unaware of the other payments as the individual had access through remote software and malware to have made the other payments, I don't consider that the likely scenario.
- I say this because in Mr S's initial submission to our Service, he said the fraudster invested the three payments to P, but he wasn't concerned because they provided receipts to him for each payment. However in later submissions, he said he didn't authorise the two later payments to P. But I find it unusual that if Mr S was only authorising the first payment to P, why he didn't raise concerns at the time about the other two payments if he had been notified of them being made. Instead, he didn't report these until several weeks later, so I find his testimony inconsistent around the payments to P and I consider that its most likely he was aware these payments were being made.
- Wise provided a call it had with Mr S on 17 November 2023. Here, he acknowledged making a payment to K but he thought he'd cancelled it as he was suspicious about the promises of a bonus. So I'm not persuaded with Mr S's testimony that he didn't make a payment to K at all given what he told Wise.
- Mr S also said it was on this date when he first noticed the other payments, which he seems to refer to the payments made to P. But in this call, he didn't dispute the payments that were made to P. He also mentions that after 17 November 2023, he began checking his account daily. If he hadn't authorised those payments and had noticed it on this date, and was checking his account daily thereafter, I would have expected him to have reported them, and given he likely would have seen the payments were being funded from the money coming in from his external account.
- Wise has shown that a payment to K on 14 November 2023 was initiated at 5:47pm but the payment steps weren't completed. Then at 5:48pm, a new payment was initiated and completed to K. At 6:25pm, the initial payment that wasn't completed was then cancelled. I can't say for certain what happened here but given what Mr S explained to Wise on 17 November 2023, I think it's more likely than not that Mr S initiated the first payment but didn't complete it, and then initiated the second payment that was completed and then he cancelled the payment that wasn't completed thinking he'd cancelled the successful one.
- Wise also provided a call it had with Mr S on 22 November 2023. In this call Mr S said he was sending money for a service he was paying for and mentioned D as the beneficiary of the payment. This also conflicts with Mr S's testimony that he didn't know or make this payment, and again I'm persuaded Mr S was knowingly making a

payment to D.

- If Mr S didn't recognise the payments to K and D, I would have expected him to have made that clear to Wise when he spoke to it on the phone. But I'm persuaded he told Wise he had made these payments.
- Mr S has shown he was sent emails for some payments he says he didn't make. In the 17 November 2023 call, Mr S acknowledged the email he received about the successful payment to K. It also appears its these emails Mr S refers to where he says he received receipts of payments. I think it's more likely than not that he would have seen some of the emails at the time about the other payments and I would have expected him to have reported them if these were unauthorised payments.
- Mr S argues that remote software and malware was on his device, and that allowing this individual access to his device on one occasion doesn't mean he was involved in the other payments. But the evidence we have doesn't support he was only aware of one payment leaving his account. We can't know exactly what happened here. And whilst the fraudsters may have had access to Mr S's account in some capacity through remote software or malware, I'm not persuaded this means Mr S wasn't aware these payments were being made.

Given the above, I consider there are too many inconsistent factors in this case, and I'm not otherwise persuaded with the testimony Mr S has provided to this Service. I think it's more likely than not that Mr S was involved in making these payments either directly or by giving a third-party access as part of an investment scam. Therefore, I consider Wise was fair to treat these payments as authorised in line with the PSRs. So the starting position is that he's liable for them.

Should Wise have recognised Mr S was at risk of financial harm?

I consider it likely Mr S has been the victim of a scam as there's adverse information online, published after these payments were made, about the company he was dealing with. So I've thought about whether Wise could have done more to have prevented the payments.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

From the evidence I have, I don't feel I have the full picture of what's happened given the inconsistencies presented by Mr S. While I accept Wise should have done more as it ought to have had a concern at some stage about the payments, I'm not persuaded it could have prevented them. As it's not clear what was happening and what Mr S was actually aware of, I can't safely say he would have responded positively or honestly to questions Wise should have asked. And as I've mentioned earlier, there were two calls where Mr S acknowledged he was making a payment, so while he now says an intervention would've prevented the payments as he was unaware of them, the evidence doesn't support this was the case. So I can't fairly conclude Wise failing to intervene as it should have led to Mr S's loss here.

I also say this because Mr S has explained that his other banking provider warned him this was likely a scam, but he was otherwise assured by the individual he was dealing with that it wasn't. So being told this information didn't stop him going ahead at an earlier point in the scam. Mr S also explained that he gave the scammer full access to his banking, and he was notified by his other banking provider that payments were being made to Wise that he didn't agree to, yet he didn't report this or have any concerns. All this indicates he had a lot of trust

in the scammer and was very under the spell of this scam. So with this all in mind, I can't safely say proportionate questions from Wise would have prevented Mr S from making these payments.

Mr S questioned why Wise didn't block his account following the report he made, which was on 17 November 2023. Mr S told Wise he was suspicious following the payment *he* made to K where he was promised a bonus, but there was no other mention of concerns about payments that had already been made, or more importantly, that a third-party had access to his account. Reading the report, it strongly suggests Mr S made a payment and an admin error has occurred duplicating it, there's no indication another party was attempting these payments or could access his funds. I can see Wise prevented further attempts to pay K because of his report, which I consider a proportionate response. I don't consider Wise acted unfairly by allowing the later payment to D given what it knew at the time, and because this was to a different beneficiary which it had no way of linking to the same investment opportunity.

Recovery

Where the payments involved were transfers to another account, a method of recovery would be contacting the beneficiary account provider. One of the beneficiary accounts (K) was held with Wise, and it's shown the funds received were utilised prior to Mr S reporting what happened so it couldn't have done anything more to have recovered his losses.

Our investigator concluded that Wise didn't need to do more to recover the payments. I agree with this finding. The other two beneficiary accounts (P and D) were held by external account providers. Wise said it didn't attempt recovery of these payments as Mr S didn't report these payments until much later. I can't see these payments were reported until several weeks after they were made so although Wise didn't attempt to recover Mr S's losses, I consider it more likely than not that the funds couldn't have been recovered based on the time that had passed.

Conclusion

I appreciate my decision will be disappointing to Mr S, given the impact this scam has had on him. But I don't consider Wise needs to do anything to settle this complaint.

As a final point, Mr S has said that he would fulfil the criteria of the new APP reimbursement scheme. But this isn't a relevant consideration in his case as this scheme was introduced after these payments were made and it isn't retrospective.

My final decision

My final decision is that Wise Payments Limited doesn't need to do anything to settle the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 May 2025.

Timothy Doe
Ombudsman