

The complaint and background

Mr A complains that Wise Payments Limited (“Wise”) won’t reimburse the money he lost to an investment scam.

Our investigator didn’t uphold the complaint. He didn’t think that the payments should have raised concerns given their value and frequency. He noted that Wise had asked the purpose of each payment and had provided warnings based on the answers Mr A had given. He considered these warnings to be proportionate to the risks involved and concluded that Wise wasn’t at fault for processing the payments.

Mr A, via his representative, asked for the matter to be referred to an ombudsman. In essence, he said that Wise was aware he’d made the first payment to an investment and then took it on face value that was paying friends after this. He said that if Wise had asked why he was making payments and provided an explicit warning regarding scam risks, he would have had a moment to pause and would potentially have stopped making the transactions.

So the complaint has 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.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to have been 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.

I’ve reviewed the payments Mr A made to the scam. I note that Wise asked the purpose of each payment. For the first payment, Mr A accurately selected ‘investment’ as the payment purpose, prompting further questions and a warning based on the answers given. Mr A proceeded with the payment.

For each of the remaining payments, Mr A inaccurately selected ‘Sending money to friends and family’ as the payment purpose. Wise asked further questions about this and provided a warning each time. Again, Mr A proceeded with the payments.

Having considered when the payments were made, their value (which ranged from £50 to £2,000), and who they were made to, I’m not persuaded Wise ought to have found any of the payments suspicious to the extent that it ought to have intervened further than it did. I note that the investment warning didn’t stop Mr A from proceeding. But I consider that the questions it asked, and the resulting warnings, were proportionate to the risks involved. And I wouldn’t have expected the warnings in relation to sending money to friends and family to have resonated with Mr A as they were provided based on the inaccurate payment purpose being given.

I note that Mr A thinks Wise acted in error by taking it on face value that he was paying friends after the first payment. But the second payment was a month later and to a different recipient so there was no real indication that it was related. And, like I've said above, I don't consider that any of the payments were significant or concerning enough to have warranted further intervention.

For completeness, I also don't think that further enquiries would have prevented the loss, and I say this because Mr A had been coached by the scammer to provide inaccurate answers. So it's likely that, if probed further, Mr A would have continued to respond in such a way that would have avoided alerting Wise to what was really happening.

While I'm sorry Mr A has been the victim of a cruel scam, I don't find that there were any failings on Wise's part that would lead me to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 June 2025.

Melanie Roberts
Ombudsman