

## The complaint

Mr D complains that Wise Payments Limited (Wise) won't refund him after he was the victim of a fake job scam.

Mr D is represented by a third party, but for ease of reading I'll refer to Mr D only.

## What happened

Mr D says he received a message on his mobile phone from an unknown number in October 2023. He responded and was told the unknown contact represented a recruitment agency and he was asked if he was interested in an online job. He says he was subsequently contacted and given details of the job and the scammer built up a rapport with him. The scammer showed him how to do the work in an online tutorial and Mr D says he saw the scammer's account with the scam business being credited at the end of each task. The scammer explained that certain tasks he was assigned would briefly cause his account to have a negative balance and that he would need to transfer money to it and this would rectify the issue. He was shown how to set up his account with the scam business and began working through his tasks.

Mr D says he seemed to be making a reasonable profit from his tasks and he could see his account with the scam business. But after two days, a new task caused his account balance to turn negative. He says he made two, small initial payments from his account with Wise to his account with the scam business. This corrected the issue and he was able to work through his tasks and see the balance of his account with the scam business growing.

He encountered a similar issue several times in the following days but became uncomfortable making the payments and contacted the scammer. He was told he would be unable to withdraw any money while his account was locked due to the negative account balance and was told he could potentially lose all his earnings. He made a final payment, but the same thing happened again and he was asked to make a further payment to unlock his account. At this point, he realised he had been the victim of a scam.

In total, Mr D made the following payments:

Payment	Date	Destination	Amount
1	16/10/2023	Faster payment to new payee	£50
2	17/10/2023	Faster payment to new payee	£42
3	18/10/2023	Faster payment to new payee	£50
4	18/10/2023	Faster payment to new payee	£37
5	19/10/2023	Faster payment to new payee	£260
6	19/10/2023	Faster payment to new payee	£686
7	19/10/2023	Faster payment to payee 1	£1,728
8	23/10/2023	Faster payment to new payee	£2,500
9	23/10/2023	Faster payment to new payee	£2,000
10	23/10/2023	Faster payment to payee 1	£392
11	02/11/2023	Faster payment to new payee	£3,120

12	02/11/2023	Faster payment to new payee	£2,600
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Mr D seems to have received three small payments from the scammers between 16-18 October 2023, totalling £263.

Mr D says a number of payments were made on the same day to several different beneficiaries, and there was a marked increase in spending from 19 October 2023, these were new payees, international payees and the account was quickly depleted. He also says given the nature of the payee in question, it would have been reasonable for Wise to assume the payments were being made as part of an investment. In the months prior to the payments, he hadn't made payments of such high value. He considers all of this ought to have prompted effective intervention from Wise.

Mr D says if Wise had probed further, it would have uncovered that he was falling victim to a scam. Instead, he received no intervention other than a generalised warning message. He says he is vulnerable as English isn't his first language and he struggled to understand the warnings he was provided with.

Wise says it did intervene in these transactions. It says it sent warnings and asked Mr D the purpose of the transactions and on each occasion Mr D responded that he was making payments to friends and family. It said its warnings were not general but tailored to potential scams. As Mr D said he was making payments to friends and family, he was provided with warnings that were relevant to that payment purpose, such as whether Mr D had met the person he was paying and whether they had asked for money unexpectedly.

Wise says Mr D told it he had been guided by the scammers about how to answer the scam warnings and his actions prevented Wise from knowing the real payment purpose and providing tailored warnings. Because he was being coached by the scammer, it says it doesn't think Mr D would have acted on its warnings even if it had intervened further.

It says it wasn't made aware of any vulnerabilities before Mr D reported the scam and it considered the warnings were clear and simple to understand.

Our investigator said he didn't think the transactions were sufficiently unusual that they ought reasonably to have prompted Wise to intervene. Relevant warnings were provided to Mr D and he considered these were proportionate in all the circumstances. He also considered Wise had taken appropriate steps to try to recover Mr D's money, but these had ultimately been unsuccessful.

I issued a provisional decision on 12 February 2025, in which I explained why I didn't uphold Mr D's complaint. I said:

*"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.*

*But, 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 in October 2023 that Wise should:*

- *have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment – (as in practice Wise sometimes does);*
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

*From the information Wise has provided, it appears they carried out interventions on almost all of the transactions complained about, with the possible exception of payment 3. Wise has provided evidence which shows that for each of the remaining payments, Mr D was asked the purpose of the transaction and he responded that he was making the payments to friends and family. I've sent copies of this evidence alongside this provisional decision. This then prompted further questions and warnings relevant to the responses Mr D had provided. For example, he was asked whether he had met the payee before in person, or whether he had been asked to make a payment unexpectedly. Mr D's answers to those questions were that he had met the payee in person and/or that he had not been asked to make the payments unexpectedly. Relevant warnings were provided based on his answers.*

*On balance, I consider these were proportionate interventions from Wise. I don't consider there was anything particularly unusual about the early transactions on the account, which were low in value and to a variety of different payees. They were not obviously for investment purposes or particularly indicative of a scam.*

*The frequency and size of the payments did increase on 19 October, but not to the point I consider Wise ought to have intervened. Even if I considered Wise ought to have intervened in some of the later payments, in the particular circumstances of this complaint I consider its interventions were proportionate. That's because I consider a proportionate intervention here would have been a written warning that broadly covered scam risks.*

*Wise sent warnings on each of the later payments, asking for the payment purpose and providing risk warnings specific to the payment purpose. I consider that was reasonable and proportionate.*

*From the evidence Wise has sent, one of the options Mr D could have selected from the list of payment purposes was "Paying to earn money by working online". I consider that more closely matched the real purpose for which Mr D was making the payments.*

*If Mr D had selected that payment purpose, I consider it likely this would have prompted different questions and warnings which might have prevented the scam. But I don't consider it would be reasonable to hold Wise responsible where Mr D provided inaccurate information about the real payment purpose and which meant Wise provided less relevant warnings as a result.*

*Whilst I understand English isn't Mr D's first language, from the copies of the messages between Mr D and the scammers there is little to suggest he wouldn't have been able to understand the content of the messages and risk warnings Wise sent him.*

## *Recovery*

*Wise says it blocked the accounts of the payees after Mr D reported the scam on 8 November 2023.*

*Wise hasn't commented specifically on whether it attempted to recover Mr D's money and if so, what steps it took and when. It would be helpful if it could do so in response to my provisional decision.*

*I consider it unlikely any funds were recoverable, given that money is often moved on quickly in this type of scam and Mr D didn't report the scam to Wise until six days after the last transaction."*

Wise responded and said it accepted my provisional decision.

Mr D responded and asked what Wise's records said about the purpose of the account when it was opened, as it was opened as part of the scam.

He said that the sheer number of new payees created within a week ought to have alerted Wise that this was a scam.

The final payments should have been of concern because, cumulatively, more than £5,000 was sent on a single day on 23 October 2023 and 2 November 2023.

### **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 remain of the view set out in my provisional decision and for essentially the same reasons, but I have addressed Mr D's further comments.

It isn't clear what Mr D said the account opening purpose was when he opened his account with Wise. If the payments Mr D made appeared inconsistent with the purpose Mr D gave when he set up the account, that could be one factor that might lead to intervention by Wise. But whatever the purpose given when opening the account, Wise did intervene in almost all the transactions.

Mr D says the volume of new payees set up in the first week ought to have led Wise to realise this was a scam. I don't agree. There appear to have been six new payees set up in the first week, which I don't consider to be a particularly large number nor that it is indicative of a scam.

Mr D also thinks the cumulative payments on 23 October and 2 November 2023 were sufficiently high that they ought to have caused Wise concern. I note that the payments weren't all to the same payee and while they amounted to several thousands of pounds cumulatively, I'm not persuaded that would necessarily have been enough to cause Wise concern. But in any event, these payments do appear to have caused Wise some concern because once again, Wise did intervene.

Wise's interventions were to request the payment purpose in order to narrow down the scam risk Mr D was facing and then provide warnings, or possibly further interventions, based on Mr D's answers. One of the payment purpose options given to Mr D was that he was *"Paying to earn money by working online"*. That is quite a specific option and accurately describes the true purpose of the payments Mr D was making but Mr D didn't select it on any of the occasions Wise intervened.

If Mr D had selected it, it would have narrowed down the particular scam risk he was facing. Had he selected that option, I would have expected that to have caused Wise serious concerns and trigger further warnings and interventions based on that answer.

I don't consider it would be fair and reasonable to uphold this complaint where Wise intervened and it did so proportionately, in a way that could have narrowed down and identified the particular scam if Mr D had provided accurate answers, but he failed to do so.

### **My final decision**

I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 31 March 2025.

Greg Barham  
**Ombudsman**