

The complaint

Mr A complains that Wise Payments Limited didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A was referred by a friend to an opportunity to invest with Company J. He checked J's website and saw that it featured an 'about us' section, FAQs, a 24/7 live chat option, and details of the company directors. He didn't see any negative information online and felt confident the opportunity was genuine, so he completed an online enquiry form and received a call from someone who explained that he'd be assisted to invest in cryptocurrency, forex, stocks and shares, and commodities.

Mr A was told to open an account with J and to download AnyDesk remote access software. The scammer said they'd opened an overseas account in Mr A's name and accessed his device to make transfers to the account. On 4 June 2020, the scammer transferred £40,000 from Mr A's account with Bank B to Wise, before processing seven faster payments from Wise to two accounts totalling £94,455.40.

Over time, the balance in Mr A's account appeared to grow to £250,000, but he realised he'd been scammed when he was unable to withdraw any funds. He complained to Wise with the assistance of a representative who said payments to a new payee out of a newly opened account immediately after receiving high-value credits ought to have raised concerns. They said Wise should have asked what the payment was for and whether there were any third parties involved and had it done so it would have detected the scam.

Wise offered to refund £16,908.50 on the basis that it could have done more to prevent Mr A's loss. But it said that part of the responsibility should be shared with Bank B, and that Mr A had contributed to his own loss.

Mr A wasn't satisfied and so he complained to this service with the assistance of his representative who argued that the payments were unusual and that Wise should have flagged them as suspicious and questioned him about the nature of the investment. They further explained that Mr A believed the investment was genuine and if he'd had any inclination that this was a scam, he wouldn't have gone through with the payments.

Responding to the complaint, Wise argued that it's not unusual for customers to join Wise and send money to overseas accounts, and the account was newly opened, so there was no transaction history to compare the payment with. However, it accepted it should have intervened before the second payment because it bought the daily expenditure to £40,000 within 5 minutes. It explained that it had reduced the settlement to £16,908.50 because Mr A should be liable for 50% of the loss, and Bank B should be refund 25%.

Our investigator recommended that the complaint should be upheld. He thought Wise ought to have been concerned about the first payment because it was a large payment to a new payee. He thought it should have asked probing questions, and had it done so, Mr A would've explained what he was doing, as he believed the investment was legitimate. He explained that it should have given him a tailored scam warning and as the investment had the hallmarks of a scam, his loss could have been prevented.

Our investigator recommended Wise should refund the money Mr had lost from the first payment onwards, but that the settlement should be reduced for contributory negligence. He further explained that as £40,000 of the funds came from Bank B, Bank B should share responsibility for that portion of Mr A's loss.

Mr A was satisfied with the recommendation, but Wise asked for the complaint to be reviewed by an Ombudsman. It argued that it couldn't have known whether the first payment was unusual because it was the first payment out of the account, and it wasn't Mr A's main bank. It reiterated that it's not uncommon to see customers create Wise accounts to make larger one-off payments and it wouldn't have been concerned about the payee considering the recipient account was in Mr A's own name.

My provisional findings

I issued a provisional decision on 6 November 2025, in which I stated as follows:

I'm satisfied Mr A 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr A is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr A didn't intend his money to go to scammers, he did authorise the disputed payments. Wise is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

Wise is an emoney/money remittance provider, but it is subject to the FCA's Principles for Businesses and BCOBS 2 and owed a duty of care to protect its customers against the risk of fraud and scams so far as reasonably possible.

I've thought about whether Wise could have done more to prevent the scam from occurring altogether. It ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr A when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Wise to intervene with a view to protecting Mr A from financial harm due to fraud.

I've considered the nature of the payments in the context of whether they ought to have raised concerns and I think they should have done. I've considered all of the comments Wise has made in respect of whether it ought to have intervened when Mr A made the first payment and while I accept this was a new account and it's not unusual for customers to open Wise accounts and immediately make transfers, this was £25,000 to an international payee and so, even though the account was in Mr A's name, I would expect it to have intervened.

Based on the value of the payment, I think a proportionate response would have been for Wise to have questioned him about the payment and, had it done so, as I haven't seen any evidence of coaching, I think he'd have explained that he was being assisted to invest by a broker who worked for J, and that he'd downloaded AnyDesk. I would then expect Wise to have given him a tailored warning about investment scams including advice on additional due diligence.

I haven't seen any evidence that Mr A was asked, or agreed, to disregard any warning provided by Wise. I've also seen no indication that he expressed mistrust of Wise or financial firms in general. Neither have I seen a closeness of relationship with the scammer that Wise would have found difficult to counter through a warning, so I think a warning would have resonated with him and he'd have followed advice to do some checks and discovered that he was being scammed.

Because I think Wise missed an opportunity to intervene and that this represented a missed opportunity to prevent Mr A's loss, I agree with our investigator that it should refund the money he lost from the first payment onwards.

Contributory negligence

I've considered the circumstances of the investment and while I accept the fact Mr A was referred to the investment by a friend would have made it seem legitimate, I think he ought reasonably to have done some basic checks before sending such large amounts of money to the investment in circumstances where he had no paperwork, the expected returns were significant, and was allowing a third-party to access his device remotely to make the transfers. Had he done this, it's likely he'd have seen the FCA warning (which pre-dated the first payment) and realised J was operating a scam. Because of this I think the settlement should be reduced for contributory negligence.

Apportionment

While I know this will be disappointing for Mr A, I'm minded to reach a slightly different conclusion about what is fair in these circumstances in respect of the apportionment of the £40,000 which was transferred from Bank B to Wise and then on to the scam.

I've looked at the mistakes made by Wise and Bank B and I've found them to be very similar in nature – both banks should have recognised that Mr A was at risk of financial harm from fraud and prevented this element of his loss. Where two businesses have made the same or similar mistakes, I don't think their combined mistakes mean that they are more at fault than they would be if only one of them had made that mistake.

So, I think Mr A should bear equal responsibility for what happened and that means Wise and Bank B should pay 25% each of the element of the loss that involves both banks, which is £40,000.

Recovery

I don't think there was a realistic prospect of a successful recovery because by the time Mr A reported the scam, the funds would have been removed from the recipient account.

Compensation

The main cause for the upset was the scammer who persuaded Mr A to part with his funds. I haven't found any errors or delays to Wise's investigation, so I don't think he is entitled to any compensation.

Developments

Mr A has accepted my provisional findings, but Wise has made some additional comments.

It has argued that an intervention should have occurred from the second payment, and that as Mr A was a new customer with no prior transaction history, a proportionate intervention would have been an automated scam warning flow, not a phone call. It has further argued that as the payments were initiated by the scammers using AnyDesk, they wouldn't have been seen by Mr A, so they wouldn't have influenced the outcome.

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've considered Wise' comments, but the findings in my final decision will be the same as the findings in my provisional decision. This is because, I maintain that Wise ought to have intervened when Mr A made the first payment. And while I accept a written warning might not be seen by the consumer in circumstances where the payments are initiated by scammers using AnyDesk, I maintain that, due to the value of the first payment, a proportionate response would have been for Wise to have contacted Mr A to ask probing questions. And, as I've stated above, as I haven't seen any evidence of coaching, I think he'd have answered the questions truthfully and his loss would have been prevented.

My final decision

My final decision is that Wise Payments Limited should:

- refund 25% of £40,000.
- the remaining loss should be reduced by 50% to reflect contributory negligence.
- pay 8% simple interest*, per year, from the respective dates of loss to the date of settlement.

*If Wise Payments Limited deducts tax in relation to the interest element of this award it should provide Mr A with the appropriate tax deduction certificate.

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

Carolyn Bonnell
Ombudsman