

The complaint

Miss P complains that Wise Payments Limited trading as Wise didn't do enough to prevent her losing money to a scam.

Miss P has used a representative to bring her complaint, but, for ease of reading, I'll mostly just refer to Miss P herself where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In December 2023 Miss P says she was the victim of a scam. She says she found what she believed to be a legitimate job opportunity. This was a remote job which involved leaving ratings online to increase the popularity of various products.

She says she did some research and thought the company looked genuine. She was contacted by phone and provided with instructions on how to use the platform. As part of this she had to deposit funds to unlock tasks to earn commission. Miss P opened her Wise account on the directions of the scammer and below is a list of the transactions relevant to this complaint.

Date	Event	Amount
17 December 2023	Credit from Scam	+£20
17 December 2023	Transfer to Beneficiary One	£50
17 December 2023	Credit from Scam	+£89
18 December 2023	Transfer to Beneficiary Two	£50
18 December 2023	Transfer to Beneficiary Two	£49
18 December 2023	Credit from Scam	+£160
19 December 2023	Transfer to Beneficiary Three	£50
19 December 2023	Transfer to Beneficiary Three	£67
19 December 2023	Transfer to Beneficiary Three	£58
19 December 2023	Credit from Scam	+£255
20 December 2023	Transfer to Beneficiary Four	£50
20 December 2023	Transfer to Beneficiary Four	£265
20 December 2023	Transfer to Beneficiary Four	£523
20 December 2023	Transfer to Beneficiary Five	£1,505
20 December 2023	Transfer to Beneficiary Six	£1,600
20 December 2023	Transfer to Beneficiary Seven	£1,871

Overall, this left Miss P at a loss of just over £5,500. Miss P complained to Wise that they hadn't done enough to protect her. And as she believed Wise provided the beneficiary accounts, she also didn't think they'd done enough when allowing them to be opened or when monitoring them.

Wise didn't think they'd done anything wrong. They pointed out that they'd asked questions and had provided warnings for most of the payments. But Miss P had answered that she was sending money to friends and family, rather than telling them the true purpose of her payments. They didn't offer any redress and the matter was referred to our service. One of our Investigators didn't think our service could consider all of Miss P's complaint within our jurisdiction. And for what we could consider, she didn't recommend that the complaint should be upheld as she didn't think Wise had acted unfairly. Miss P disagrees and has asked for an Ombudsman to review her complaint.

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.

There are two main parts to Miss P's complaint. Firstly, in her capacity as a customer of Wise that they didn't do enough to protect her. And secondly, that Wise failed in their actions when providing accounts to others. I'll deal with each aspect in turn, starting with Miss P's own customer relationship with Wise.

Broadly speaking, Wise's first obligation is to promptly follow the payment instructions their customers (like Miss P) provide. But they should also be alert to the possibility of fraud and scams and do what they can to protect their customers from financial harm. There is clearly a balance to be struck between stopping and checking payments and allowing customers ready access to the funds in their accounts. Miss P's account with Wise was also newly opened, so there wasn't any history of use against which to compare the activity that took place.

There must be an element of proportionality to any interventions that attempt to detect and disrupt any potential fraud or scam. And with this in mind, I don't think any of the activity on Miss P's account prior to 20 December 2023 ought to have prompted any intervention from Wise. Wise did ask some questions and provide some warnings within that time period. And I don't think anything Miss P said in response to what she was asked, ought to have prompted Wise to have done more than they did.

I think the account activity on 20 December 2023 was indicative of a potential scam. There were increasing amounts being sent, across a number of hours, mainly to new payees. So, I think Wise were right to identify the risk these payments presented. Wise then asked Miss P the purpose of her payments on that day, and each time she indicated that she was making a transfer to 'pay friends and family', this is despite one of the options being 'Paying to earn money by working online'. She was then asked if she had met the friend or family member in real life and whether they had asked for money unexpectedly. Again, on each occasion Miss P answered that she had met the person in real life and that the request for funds wasn't unexpected. Based on these answers, Wise processed the payments.

I don't think it was unreasonable for Wise to have done so. They could only provide warnings based on the answers Miss P gave. And whilst Wise should know that sometimes customers might be coached, I think they made the scam risk clear. And as our Investigator pointed out, even if Wise had gone into more detail about the potential scams and risks associated with payments to friends or family, I still don't think any of this would've resonated with Miss P at the time, as this wasn't the true purpose of her payments. The payments themselves all appeared to go to other individuals (rather than companies or businesses) which wouldn't have contradicted Miss P's stated payment purpose.

I've considered all the reasons Miss P has provided for why she believes Wise should've done even more and have been even more pro-active. But in the circumstances of this complaint, for the reasons stated above, I don't agree. Overall, I don't think Wise acted unreasonably in the steps they took to try to protect Miss P when she was sending her payments.

Moving on to Wise's role in providing the recipient accounts, our Investigator has already explained that other international parts of Wise provided the accounts to beneficiaries five, six and seven. And so we couldn't comment on Wise's actions in relation to those accounts.

I've looked at the information Wise took, and the checks conducted when opening the accounts for the remaining beneficiaries. And in each case, I'm satisfied Wise correctly followed their processes. I don't think Wise reasonably could've known the accounts they were opening would later go on to be used in connection with a fraud or scam.

Similarly, I've looked at the activity on each account, including the arrival and spending of Miss P's funds. I don't think there were any failings in the account monitoring that would've prevented the loss to Miss P. Wise have also confirmed that they'd had no previous allegations of fraud or scams in relation to the recipient accounts, so there wasn't a failure to act in that regard either.

Miss P reported that she'd been a victim of a scam to Wise late in the evening on 20 December 2023. But unfortunately, by that time, from the evidence I've seen, no funds remained in the recipient accounts to be returned. So anything Wise did or didn't do, wouldn't have impacted the recovery of funds.

So overall, I don't think Wise have failed in such a way that I could fairly say they've caused the loss to Miss P. Miss P's complaint submission also mentioned that she considered herself to be vulnerable and that she would like compensation for the distress she's been caused. Even if Miss P were vulnerable, I can't see this is something Wise were made aware of, and it isn't something I think they should have ascertained themselves. So, I can't fairly expect them to have done more on that basis. And as I don't think Wise have provided poor service or treated Miss P unfairly in the circumstances of this complaint, I likewise can't fairly direct that they need to pay any compensation.

I'm of course sorry to hear Miss P lost money to a cruel scam, but as I don't think this is something Wise are responsible for, I'm not going to tell them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 26 May 2025.

Richard Annandale
Ombudsman