

The complaint

Mr K complains that Wise Payments Limited ('Wise') won't refund the money he lost to an investment scam.

What happened

The background is known to both parties. I won't repeat all the details here.

In summary, Mr K says that, in October 2023, he saw an advert about cryptocurrency investments which was seemingly endorsed by a well-known celebrity. He contacted the 'company' (I'll call 'F') the advert was linked to and, after registering his interest, he was contacted by someone (a scammer) claiming to be an 'investment adviser' at F.

Believing he was dealing with a genuine individual he made payments for 'investment' and later for withdrawal 'fees' as instructed. All payments from Wise were for withdrawal 'fees'. The first was to an entity ('R') on 28 December 2023. A further three payments were made, on 27 February 2024, to different individuals operating in the peer-to-peer market, for the purchase of cryptocurrency that was then lost to the scam.

He was repeatedly asked to pay more in 'fees' to release his funds which, in February 2024, he was led to believe had grown to around £450,000. By the time he realised he'd been scammed, over £123,000 (about £17,250 from Wise) had been sent to the scam from his various accounts with the separate firms used in the scam journey.

A complaint was raised with Wise and referred to our Service. Our Investigator didn't uphold it. In brief, he noted Wise had intervened on all payments and provided warnings tailored to the 'payment purpose' Mr K had selected. He wasn't persuaded further steps would have prevented Mr K's losses given the scammer was on the phone pressuring him to make payments and what happened when other firms intervened to ask about the circumstances.

As the matter couldn't be resolved informally, it's 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 done so, I've decided not to uphold it for similar reasons as the Investigator.

It's not in dispute Mr K was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute he authorised the payments from his Wise account. So, although he didn't intend the money to go to a scammer, under the Payment Services Regulations 2017, Mr K is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

But that's not the end of the matter. Taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry practice at the

time, Wise should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, there was probably enough about some of the payments, particularly those in February 2024, for Wise to have intervened on concerns that Mr K might be at a heightened risk of fraud. But, as referred to by the Investigator, Wise did intervene on all payments. It asked Mr K for a 'payment purpose' and provided tailored warnings based on the payment reasons he'd selected. I don't think it'd be fair to hold Wise responsible for a lack of warnings relevant to Mr K's circumstances at the time when the option 'Making an investment' (more closely matching his situation) was available for him to choose from but was never selected.

I've thought carefully about Mr K's comments that a 'human' intervention should have been carried out by Wise and that, if it had, then this could have prevented the scam. But, even accounting for the scam concerns Mr K had reported on his earlier payment to R, I'm not convinced the steps Wise took in relation to his later payments were disproportionate to the risks presented at the time. I can see that Wise did block R as a recipient in January 2024. And I'm not persuaded the three lower value payments Mr K went on to make months later in February 2024 to different payees necessarily warranted 'human' intervention.

In any event, like the Investigator, I'm aware other firms from which scam payments were made also intervened. Both 'live' chats and calls were also held. These show Mr K wasn't prepared to reveal what was really happening when questioned. And while I realise Mr K was under pressure and I can appreciate he was likely tricked by the scammer on what to do and say believing he'd then be able to access his funds, I can't reasonably hold Wise liable for his losses in circumstances where, on balance, it's unlikely it could have prevented them.

In terms of recovery, I can see that Wise took reasonable steps to recall the payment to R and that the receiving firm confirmed no funds remained to be recovered. I note Wise's attempts to recover funds paid to the P2P sellers were also unsuccessful. I'll add here that there wouldn't have been a basis for Wise to recall that money as there's no dispute the P2P sellers provided Mr K with the cryptocurrency as intended before it was lost to the scam.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 August 2025.

Thomas Cardia
Ombudsman