

The complaint

Ms A complains about the actions of Wise Ltd when they lost money to a scam.

Ms A is being represented by a claims management company but for ease I'll only refer to Ms A.

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.

In October 2023 Ms A was searching on social media for jobs and expressed an interest in an advert they saw. They were then contacted by a third-party offering remote work by completing tasks to earn commission. Ms A sent some of the money to their Wise account from another account they held with a bank – I'll refer to here as 'E'. They then made a total of around £25,358 from their Wise account to third parties.

When Ms A wasn't able to withdraw their money from the third-party, they realised this was a scam and raised a claim with Wise. But Wise said it wouldn't be offering a refund. Unhappy with that response Ms A brought the complaint to the Financial Ombudsman Service.

Our Investigator didn't think the complaint should be upheld. He said that Ms A hadn't been honest with E about the reasons for sending the money to Wise. So, he said even if Wise had done more to stop the payment this wouldn't have made a difference.

Ms A disagreed and asked for an Ombudsman's review. They said both the £4,200 and £7,800 payments warranted more intervention. They said if Wise had intervened further this would've brought the scam to light.

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'm sorry Ms A has been the victim of a scam, and I don't underestimate the impact this has had on them. But I must consider whether Wise is responsible for the loss he has suffered.

And while I realise this isn't the outcome Ms A is hoping for, for similar reasons as our Investigator, I don't think it is. I therefore don't think Wise has acted unfairly by not refunding the payments. I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Ms A authorised the scam payments of around £25,358. I accept that these were authorised payments even though Ms A was the victim of a scam. So, although it wasn't their intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of the account, Ms A is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Wise's first obligation is to follow the instructions that Ms A provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Wise to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Wise to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Wise to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

Our investigator felt even if Wise had done more on the last three payments here it wouldn't have made a difference based on a call recording of a conversation between Ms A and E on 21 November 2023. Ms A disagreed and said Wise failed to intervene properly here as did E. I've considered what Ms A has said carefully, but I don't find what they've said to be more persuasive here. I'll explain why.

Wise asked Ms A for a payment reason on eight of the above payments. I can see that despite being offered the opportunity to select '*paying to earn money by working online*' Ms A selected '*goods and services*' six times and '*investment*' twice which weren't correct. And by doing so, it meant that Wise was unable to provide a fraud and scams warnings to Ms A about common scams involving paid employment in relation to writing reviews.

Ms A said more should've been done by Wise to ask them some further questions about why they were making the payments given their size – especially the last three larger payments – to avoid causing them foreseeable harm. However, I don't agree. When Ms A was making a £7,800 payment from E to Wise the payment was stopped and they were asked why they were making it. Ms A wasn't honest with E and said that it was being made to pay off a property back home that had a mortgage and that no one had told them to move their money from E to Wise.

The above persuades me that even if Wise had asked some further questions of Ms A about why they were making the payments, it's more likely than not that they would've continued to provide inaccurate reasons for making the transfers.

Ultimately, Wise can only ask accurate questions and provide accurate warnings based upon the accuracy of the payment reasons and answers it's provided with by Ms A. So, I'm satisfied, based upon all the evidence I've been provided with, that Ms A was trying to move the money to the scammers as quickly as possible without either Wise or E being able to stop it.

Recovery

I've considered whether Wise acted reasonably in trying to recover Ms A's money when it was made aware of the scam. Having done so, I can see that the money Ms A sent to the scammers were all moved out of the beneficiary accounts before the scam was raised. As a result, there wasn't anything further Wise could've done to recover Ms A's funds here.

I have a great deal of sympathy for Ms A and the loss they suffered. But it would only be fair for me to direct Wise to refund the loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted reasonably and so I'm not going to tell it to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

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

Mark Dobson
Ombudsman