

The complaint

Mr B complains Wise Payments Limited ('Wise') didn't do enough to protect him when he fell victim to a purchase scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here.

In summary, on 4 December 2024, Mr B used an account he holds with another banking provider, which I will refer to as 'M' to attempt an international payment of £6,007.16 for a JCB mini digger from a company I will refer to as 'H'. The payment was sent via Wise who M used as an intermediary to make the international payment. On 19 December 2024, Mr B contacted Wise and asked them to stop the payment after H failed to deliver the item as agreed and stopped responding to his attempted calls.

Mr B reported the fraud; however, Wise said it wouldn't refund the money he lost as he had authorised the payment.

Our Investigator also didn't uphold the complaint and said the action Wise took at the time Mr B made the payment was sufficient as they were only acting as an intermediary from a payment Mr B initiated via his account with M.

Mr B didn't agree and asked for the complaint to be reviewed by an Ombudsman. In short, he said, he didn't understand the risks attached to the international transfer via Wise. And M didn't make him aware the transfer was being made through Wise.

As the matter couldn't be resolved informally, Mr B's complaint has 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.

I'm sorry Mr B has been the victim of a fraud, and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr B's circumstances, I must consider whether Wise is responsible for the loss he has suffered. I know this won't be the outcome Mr B is hoping for, but as I mentioned in my phone call conversation with Mr B, for similar reasons as our Investigator, I don't think they are. And so, I don't think Wise has acted unfairly by not refunding the payment. I'll explain why.

Before I do, I want to reassure Mr B that I've considered everything he has submitted. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Wise is

responsible for the loss Mr B has suffered.

Having reviewed all the information provided, I agree with the Investigator's conclusions for the following reasons:

- It isn't in dispute that Mr B authorised the transaction in question. He is therefore presumed liable for the loss in the first instance. However, Wise is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.
- However, in this situation, Wise were only acting as an intermediary for the payment which Mr B attempted from M. We have been provided with information from M to show what Mr B would have seen, which shows Mr B being told M uses Wise to complete international payments and asking him to either log int to his Wise account or create an account if he doesn't have one. As Mr B already had a Wise account, he logged in and completed the payment.
- I can see that M took the decision to partner with Wise a number of years ago to *"provide a simple, cheap way to send money overseas"*. The partnership means that it's possible to send international payments using M's banking app without having to transfer money to Wise, which is what Mr B done. So, I am satisfied Mr B was aware the payment was being made via Wise.
- Mr B had opened his Wise account in July 2023, and although I accept that this was the first transfer Mr B had made from his Wise account, Wise is a business that specialises in international payments. And although it provides accounts which can be used for everyday spending, Mr B's transfer was an international payment and it's likely that many customers of Wise will use its services in this way – opening an account in order to make international payments or only using the account when they need to make an international payment, which is what Mr B done.
- I appreciate that this represents a lot of money for Mr B, but this doesn't in itself suggest a heightened risk of fraud. Wise has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect Wise to check each one. As I mentioned above, while I don't doubt the payment represents a lot of money to Mr B, the payment is of a value which I don't think would have appeared so suspicious or unusual to Wise, when compared with other payments that it processes daily.

As it stands, overall, I don't consider the payment Mr B made to have been remarkable enough to have warranted Wise to act and have contacted Mr B ahead of processing it.

Finally, I've thought about whether Wise did all it could once Mr B reported the fraud to it. I can see that Wise attempted to recover the money from the beneficiary bank (the bank to which the money was paid), but unfortunately it was told that no funds remained. Our experience shows that once money has been transferred outside of the United Kingdom it is unlikely that it will be recovered once a fraud has been identified.

I want to stress that I do have a great deal of sympathy for the situation that Mr B finds himself in and I am sorry he has lost money in these circumstances. But, for the reasons I've explained, I'm not persuaded that Wise is required to refund him.

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 Mr B to accept or reject my decision before 28 October 2025.

Israr Ahmed
Ombudsman