

## The complaint

Mr W is complaining that Wise Payments Limited didn't do enough to prevent him from making payments to an investment scam.

## What happened

Both parties are familiar with the background to this complaint so I won't go into detail here.

In short, in late 2023 Mr W says he fell victim to a cryptocurrency investment scam.

He made nine payments to the scam between late October 2023 and early December 2023. Each payment was made to a different individual. The payments were as follows:

Date	Payment type	Amount (in GBP)
27 October 2023	Transfer	£250
31 October 2023	Transfer	£159
31 October 2023	Transfer	£100
1 November 2023	Transfer	£4,200
1 November 2023	Transfer	£1,650
2 November 2023	Transfer	£700
2 November 2023	Transfer	£95
20 November 2023	Transfer	£1,969.43
2 December 2023	Transfer	£20

When he realised he'd been the victim of a scam, Mr W complained to Wise. But it didn't uphold his complaint. Unhappy with its response, Mr W referred his complaint to the Financial Ombudsman.

Our Investigator looked into Mr W's complaint, but he didn't think Wise ought to have done anything to intervene to prevent Mr W from making the payments. Mr W didn't agree, so his complaint has been passed to me for review and a decision.

## 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'm not upholding Mr W's complaint – for much the same reasons as the Investigator.

The evidence Mr W has provided of his involvement in the scam looks to be fairly generic, and I'd usually be looking for some more evidence to show that Mr W was involved in the scam and had suffered a loss because of it. But because this doesn't make a difference to the outcome of Mr W's complaint, I'm going to proceed on the basis that Mr W did suffer a loss to the scam he's described.

It's not in dispute that Mr W authorised the payments. And Wise had a duty to act on his

instructions. But in some circumstances a financial business should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or otherwise looks characteristic of fraud. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment.

However, I must also bear in mind that Electronic Money Institutions such as Wise have a balance to strike - while it should be alert to fraud and scams and act in its customers' best interests, it processes high volumes of transactions each day and can't reasonably be involved in all of them.

Mr W had held an account with Wise for a few years prior to the scam, but doesn't appear to have used it apart from two cancelled transactions in 2021. So, it would have been relying on generic risk indicators when deciding whether to intervene in these payments.

Looking at the value and destination of the disputed payments, I wouldn't have expected Wise to have identified a scam risk for any of the payments. The payments were spread out over a period of around five weeks, and didn't escalate in value in a way that can sometimes indicate a scam is taking place. While I'd expect Wise to have been aware of the heightened risk of cryptocurrency related scams at this time, these payments were made to individuals and were not identifiable to Wise as cryptocurrency related payments.

Most of the payments were relatively low in value. The fourth payment was of a noticeably higher value than the rest of the payments, at £4,200 - but in the context of the value of the transactions Wise processes every day, and looking at the overall activity and the destination of the payment, I still wouldn't have expected Wise to have been concerned about, such that it ought to have taken further steps to warn Mr W before processing it.

Wise has told us that it did ask Mr W for the purpose of seven of the payments. Mr W told Wise he was making the payments for goods and services – and Wise gave him generic scam warnings related to this payment purpose. This type of warning didn't appear to resonate with Mr W; it wasn't relevant to the scam he was experiencing. But as I've explained, I don't think Wise ought to have done any more to warn Mr W about the payments – I think that what Wise did here was proportionate to the level of risk the payments presented.

There are industry standards around attempting recovery of funds where a scam is reported. Generally, businesses should attempt to recover payments immediately on being told of a scam.

Mr W reported the scam around four days after making the final payment but the earlier payments were made some weeks before that – and after that time, I wouldn't have expected there to be any funds still available to recover. Wise has explained (and shown some evidence) that the funds had already been moved on by the recipients at the time Mr W reported the scam. So, I don't think it ought to have done anything else to recover Mr W's funds.

I'm sorry to disappoint Mr W. But for the reasons I've explained, I don't think Wise should have done more to prevent the loss he says he's suffered. So, it wouldn't be reasonable for me to ask it to refund the payments he made.

### **My final decision**

My final decision is that I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 May 2025.

Helen Sutcliffe  
**Ombudsman**