

The complaint

Mrs M complains that Wise Payments Limited didn't do enough to prevent her losing money to a scam.

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 2023 Mrs M says she was the victim of a scam. She says she found a job opportunity on social media. She was put in touch with an 'instructor' who took her through what was required. On her first day, she made £18 commission which she says was paid into her account. But she was then told her account had a negative balance and she needed to make payments to release her commission. The following payments were made from Mrs M's newly opened Wise account as a result of the scam.

Date	Beneficiary	Amount
28 September 2023	P	£1,345
29 September 2023	V	£3,888
29 September 2023	V	£5,886
29 September 2023	K	£5,020

I understand that these payments had primarily been funded by transfers into her Wise account from Mrs M's account with another bank, H. I also understand that Mrs R made around £800 of payments to the same scam from an account she held with R and that R refunded that loss to her. Mrs M would like Wise to do the same.

Mrs M complained that Wise hadn't done enough to protect her from the loss she's suffered. Wise offered £100 compensation for some service issues but didn't offer a refund for any of the payments. The matter was referred to our service and considered by an Investigator.

The accounts Mrs M had paid, were all held with an international part of Wise which is a separate entity to its UK presence with whom Mrs M held her account. Our Investigator said she couldn't consider any alleged failings about the recipient accounts within our jurisdiction. And for what she could consider, she ultimately recommended that Wise should refund the final two payments and add 8% simple interest.

Wise didn't accept this, but they made an offer to refund half of those payments to resolve the complaint as they felt contributory negligence from Mrs M should be taken into consideration. This offer was shared with Mrs M who rejected it, and the case was passed to me to decide.

In March 2025 I issued a provisional decision in which I said:

"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 intending to reach a different outcome to that of our Investigator and so I'm issuing this provisional decision to give both sides a further opportunity to comment, before my decision is finalised.

Wise's first duty is to follow the payment instructions provided by their customers like Mrs M. But they should also do what they can to prevent fraud and scams. And there is a balance to be struck between stopping and checking payments and allowing customers free access to their funds. Mrs M's account was newly opened with the payments above being the first outgoing payments made from the account. As such, Wise had no history of spending against which to compare the activity.

I understand the account was opened for the purpose of 'transfers' which is in line with what went on to happen, that is money was received and transferred out to other individuals. Wise say that Mrs M was presented with questions about the purpose of her payments, amongst the options for these was 'paying to earn money by working online'. But Mrs M didn't select that option for any of her payments. Mrs M says that she doesn't remember seeing that option, but if she didn't select it, it would've been upon the direction of the scammer. Mrs M primarily answered that she was sending money to family and friends, which is in line with what she was told in the message history between her and the scammers that she's shared.

Wise say they then asked further questions and provided warnings, which would've been relevant to the answers Mrs M had given. But perhaps unsurprisingly, these didn't touch on the key elements of a job scam as Wise weren't aware that was what was really happening. Mrs M says the scammers employed highly sophisticated techniques and coaching, making it extremely difficult for her to recognise the fraud despite Wise's warnings. However, Wise could only provide scam warnings based on the information which had been provided to them during the payment process. And based on Mrs M's responses, they couldn't reasonably have known the nature of the scam she was falling victim to or have been able to provide warnings more suited to those circumstances. There was also nothing obviously identifiable about the payments going to 'friends or family', that reasonably ought to have alerted them to the possibility that the information Mrs M provided about the payment purpose was inaccurate. The sophistication of the coaching Mrs M has described only adds to the point there wasn't much Wise reasonably could've done that would've made a difference in these circumstances.

And even if Wise ought to have gone further than they did, the evidence supports that Mrs M was prepared to follow the guidance from the scammers to provide misleading information.

I've also listened to many calls between H and Mrs M which took place around the relevant time. The context to these calls was that her payments from H to Wise didn't go through and Mrs M was trying to sort this out. During those calls, Mrs M was clearly frustrated. She raised her voice to some of the call handlers and was generally annoyed at what she saw as excessive interference in her moving her money as she wanted to. This doesn't support the argument that she would've been receptive to further interventions or warnings from Wise. So I don't think any level of intervention that reasonably could've been expected of Wise would've uncovered the scam or prevented the payments being made. As such, I'm not persuaded there is a reasonable basis upon which I can require Wise to refund any of the payments Mrs M made.

Mrs M has said that she believes the refund she received from R has set a precedent and so Wise should refund her in the same way. I've seen the message R sent to Mrs M and it's clear that their offer was a gesture of goodwill and not an admission of fault. I think it's important I set out that another payment service providers decision to reimburse their customers in similar circumstances, doesn't mean that Wise have done something wrong by not providing a refund. I can't direct Wise to refund the loss as a gesture of good will or

because another payment service provider has done so in similar circumstances. If there hasn't been a failing by Wise which I can say fairly and reasonably caused the loss, I can't tell them to provide a refund.

I've also considered the steps Wise took when Mrs M reported to them that she'd been the victim of a scam. And I don't think there were any failings which impacted their ability to recover any funds. Unfortunately, it is a common feature of scams such as this that funds are promptly moved on by the scammers, presumably to frustrate efforts at recovery.

Both Mrs M and Wise agree that there was some poor communication and Wise has offered £100 compensation for the impact of this. I appreciate Mrs M feels this is insufficient due to the impact of all that has gone on. But I don't think the communication made a difference to whether funds could've been recovered. And whilst I'm really sorry to hear about what has happened and I appreciate for victims of scams, the impact of their experience can have a long and lasting effect. But these are primarily due to the actions of a third party, the scammer. And I can't fairly ask Wise to pay compensation for the impact a third party's actions have had on Mrs M. However, Wise are responsible for how they communicate with Mrs M and given my finding is specific to that point, I think the £100 compensation is a fair way to put things right in that regard.

My provisional decision

For the reasons outlined above, but subject to any further information I receive from either Mrs M or Wise, I intend to uphold this complaint in part.

Wise have made an offer to pay £100 compensation to resolve this complaint and I think this offer is fair in all the circumstances. So I'm intending to decide that Wise Payments Limited should pay Mrs M £100."

Wise responded to say they accepted my provisional decision. Mrs M made some further comments which I'll address below.

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.

Mrs M has questioned why my outcome is different to that of our Investigator. When a complaint is referred for a decision, I am required to undertake my own entirely independent review and to reach my own outcome. This is what has happened and the reasons for my outcome are set out in full in my provisional decision. It isn't for me to discuss how or why our Investigator reached the outcome she did, my role is to explain my decision and (as here where it differs from what an investigator said) provide a fair opportunity for both sides to respond / comment before finalising my decision.

Mrs M submitted further evidence of the messages between her and the network of scammers. She says that the scammers' coaching and control was akin to coercive abuse which made it virtually impossible for her to make objective decisions or recognise the danger she was in. I accept Mrs M was the victim of a scam and that scammers employ various techniques to gain compliance from their victims. I also don't doubt the impact being a victim of a scam like this has had on Mrs M. But despite my natural sympathy, it would only be fair and reasonable for me to require Wise to do more if I think they failed in such a way that it can be said to have caused the loss.

Mrs M has submitted various reasons in support of why she believes Wise failed to protect her. I won't list them all in full here, but I have considered all Mrs M has said. The crux of the issues raised is that she doesn't believe the steps Wise took were sufficient in the circumstances. I agree that Wise are required to do what they can to protect their customers from fraud and scams. Where I can't be 100% sure as to what would've happened, I must make my findings as to what I think is most likely, given the available evidence.

And even if I were to agree with Mrs M that Wise should've gone beyond the tailored warnings they gave online (which for clarity I don't) and have called or spoken to her, as I set out in my provisional decision, I'm not persuaded this would've made a difference. The calls I've listened to between Mrs M and H, the details of the chat messages with the scammers and Mrs M's own testimony as to the extent of the influence the scammers had over her at the time, all combine to make me think that any level of intervention that could reasonably have been expected, wouldn't have made a difference. Mrs M's own testimony is that the level of manipulation she was subjected to, severely impaired her judgement. And the available evidence from the interventions that did take place, all support that Mrs M would have followed the guidance from the scammers to mislead Wise as to the true purpose of her payments.

Mrs M believes that Wise failed to conduct due diligence when opening her account and that this involved missed opportunities to intervene. I don't agree. There is no suggestion that Mrs M's identity is in question and they asked the purpose of opening the account which as I've mentioned above was given as 'transfers' which was how she went on to use it. Mrs M also mentioned the FCA's guidance on vulnerability. But even if Mrs M was vulnerable at the time, I can't see that this is something Wise reasonably would've been aware of or should have ascertained themselves.

Mrs M also mentioned the recent Payment Systems Regulator (PSR) APP fraud reimbursement protections and the Lending Standards Board's Contingent Reimbursement Model (CRM Code). And whilst she seems to accept that Wise weren't a signatory to the CRM Code and that her payment pre-dated the PSR scheme (which isn't retrospective), she believes that Wise should have already been aligning their practices with these higher standards of customer protection. I've considered this but I don't agree. Whilst the regulatory environment in fraud and scams continues to evolve, neither of the schemes mentioned were relevant considerations for Mrs M's payments. I don't think it is fair to expect Wise to follow the PSR scheme before it was in force, nor to follow the CRM Code which was a voluntary scheme that they hadn't signed up to.

I'm of course sorry to hear Mrs M was the victim of a scam. And I'm aware that Wise previously made an offer to partially reimburse Mrs M. This isn't something I think they needed to do, but it's a matter for Mrs M if she wants to contact Wise to ask if they are still willing to honour their previous offer. But for the reasons I've explained, there isn't a reasonable basis upon which I can require Wise to do more than I'm setting out below to resolve this complaint. I'd like to remind Mrs M that she is under no obligation to accept my decision, in which case it wouldn't be legally binding on either side. She would then be free to continue her dispute with Wise through other avenues, such as the courts, should she choose to do so. If this is something Mrs M is considering, I'd recommend that she seeks independent legal advice.

My final decision

My final decision is that I uphold this complaint in part.

Wise Payments Limited must pay Mrs M £100 compensation for the impact of poor communication in dealing with this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 29 April 2025.

Richard Annandale
Ombudsman