

The complaint

Mr L complains that Wise Payments Limited trading as Wise won't reimburse money he lost to a scam.

Mr L has brought his complaint with the assistance of a professional representative.

What happened

In 2021 Mr L made what he believed was a cryptocurrency investment in a company I'll call B, which had been recommended to him by his stepfather. B was represented by an individual who Mr L thought was an expert broker and could help him with trading in cryptocurrency. Mr L said he'd seen both his stepfather and a friend invest with B and make profits. He believed his money would be safe and he'd also make a profit. Unfortunately, it later turned out that B was a scam investment company.

Mr L transferred money from his child's savings account with his external high street bank H to his current account also with H, and from there to his newly opened account with Wise. Shortly afterwards he transferred £9,800 to an international account number given to him by the scammer. Very sadly, he lost the money to the scam.

In 2024 Mr L asked his professional representative to complain to his high street bank H and then to this Service. The high street bank H ultimately agreed to refund 50% of Mr L's loss. In early 2025 Mr L's professional representative complained to Wise asking it to pay the remaining 50% of his loss based on its failure to warn him about the risk of scams.

Wise responded to say that it wouldn't refund Mr L's remaining loss. It said when a transfer was completed through Wise, the transfer couldn't be cancelled or reversed. So, Wise strongly recommended that its customers knew and trusted the person or business they were sending money to before setting up the transfer. It hadn't thought the activity on Mr L's account was suspicious enough to intervene.

Mr L's professional representative asked us to look into his complaint. Our Investigator thought Wise should have intervened before Mr L sent his payment to the scammer. He thought a proportionate intervention would have been a written warning broadly covering scam risks. But our Investigator didn't uphold the complaint. This was because Mr L had been introduced to the scam by his stepfather, whom he trusted. Our Investigator didn't think the scam warning would have prevented Mr L's loss because it would likely not have resonated with him.

Mr L's professional representative didn't agree and asked for an Ombudsman's decision. They said Wise should have telephoned Mr L to warn of the risk of scams. He was highly cautious and would likely not have sent the money, as it belonged to his child. He'd have listened to any meaningful warning the investment might be a scam, despite the involvement of his stepfather and friend. There was an unfair imbalance, given Wise had failed in its regulatory obligation but was escaping liability based on speculation that intervention might not have changed the outcome. Our Investigator explained why the professional representative's further comments didn't change his mind.

As an agreement couldn't be reached the complaint has come to me for review.

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've been very sorry indeed to read about the cruel scam to which Mr L fell victim. It's clear it has had a significant impact on him and his family.

This decision is confined to Mr L's complaint about Wise.

Mr L doesn't dispute that he authorised the payment he made from his account with Wise to the scammer. The starting point is that banks and Electronic Money Institutions ('EMIs') such as Wise ought to follow the instructions given by their customers in order for their legitimate payments to be made as instructed. So Mr L is presumed to be liable for the loss in the first instance, in circumstances where he authorised the payment.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

There's a balance banks and EMIs need to strike between identifying payments that could potentially be fraudulent and allowing customers ready access to their funds.

Should Wise have recognised that Mr L was at a heightened risk of financial harm from fraud and, if so, should it have intervened?

The key question here is whether Mr L's payment to the scammer was sufficiently unusual or suspicious for Mr L's account such that intervention by Wise ought reasonably to have been warranted.

Mr L had opened his Wise account on 8 October 2021. The following day he made one credit to his account of £9,800 before making the disputed transfer of £9,800 (which included Wise's charge for foreign currency exchange) on 12 October 2021.

As the account was newly opened Wise did not have any meaningful account history to refer to when deciding whether the disputed payment was unusual or out of character for Mr L's account.

I've not seen any evidence to suggest that Wise knew Mr L's intended payment purpose. But Wise said that it did not give any warnings to Mr L when he made the payment.

There's no doubt the payment was made rapidly to a new payee and drained the account's balance. At the time the payment was made Wise, an EMI, was typically used by customers as a money transfer service for payments to be sent abroad. And so Mr L's payment wasn't entirely unusual given the way such accounts are typically used, and there weren't any other concerning factors. That being said, I think the payment should really have been flagged by Wise as being unusual account activity. But given the lack of account history, the size of the payment and that Wise is an EMI I think that any intervention at that point should have been limited to an online written warning that broadly covered scam risks.

I've taken into account all the points made by Mr L's professional representative. They say that Wise should have telephoned Mr L to ask him questions about the transaction. But at

the time the payment was made, and for the reasons I've given above, I don't consider that this would have been a proportionate intervention to the risk presented by the payment.

The professional representative has also said Mr L was vulnerable at the time, due to having poor digital skills – and I don't doubt that the scammer was able to exploit any uncertainty about the specific workings of the investment. But I don't find Wise would reasonably have been on notice of Mr L's vulnerability, to the extent that it should have recognised he was at increased risk when making the payment. He hadn't raised it with Wise, and I don't think it ought to have been apparent through any of his actions since opening the account.

Would an online written warning have prevented Mr L's loss?

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

It is not enough for me to find that Wise could have made a proportionate intervention. I must be satisfied that any such intervention would also have prevented Mr L's loss.

In other words, I must also be satisfied, on the balance of probabilities, that it's more likely than not that Mr L would have heeded an online written warning that broadly covered scam risks and have decided not to send the money to the scammer.

I've carefully considered the submissions made by Mr L's professional representative. They have explained why they think Wise properly warning Mr L of the risks involved would likely have prevented him falling victim to the scam. But that argues for a stronger, more tailored, intervention than I have deemed necessary in the circumstances. The representative also says that Wise failed in its regulatory obligation and it's unfair for Mr L not to be compensated based on speculation around what he might have done had he been given a warning.

But as I've said, even if I find a business has done something wrong, as here, I can't award compensation based solely on its act or omission. I must see that the act or omission has caused the loss to the consumer.

Having carefully considered the available evidence and wider surrounding circumstances, I find, on balance, that Mr L would likely have disregarded a written warning that broadly covered scam risks and have continued to send the money to the scammer. I'll explain why, focusing on the key reasons for my decision.

Mr L has told us that he was introduced to the scammer by his stepfather and a friend, both of whom were making profits on their investments. Although we now know this wasn't true, as they'd also fallen victim to the scam, Mr L would not have been aware of this at the time.

So Mr L sent the money to the scammer in the belief he was dealing with a genuine investment broker, introduced to him by a family member that he trusted and who he said would not have endorsed a fraudulent entity. He paid his money in good faith.

I don't think a written warning about scam risks would have resonated with Mr L because he'd trusted the introduction by his stepfather. He'd not been contacted out of the blue or responded to an advert on social media, which can often be hallmarks of scams. So I don't think Mr L would have sufficiently recognised enough of his own circumstances in a general warning for it to have been effective. He was being instructed by the scammer who'd been introduced to him and whom Mr L believed was the expert in the transaction, and who was using remote access software to 'assist' Mr L. Mr L has said he didn't want to appear stupid

by questioning the transfer to an international payee, and I don't consider a warning broadly covering scam risks would have changed his mind about this.

I appreciate Mr L was investing money that he'd saved for his child and I can appreciate why the scam has had a particularly hard impact on him. But he'd been told by the scammer that he would be better off as a result of the investment. And the fact that he believed his stepfather and friend were both making profits would have supported this belief.

Overall then, I think Wise should have intervened and given an online written warning that broadly covered scam risks. But for the reasons I've explained, I don't think this would have stopped the scam. As such, I don't think Wise is responsible – in full or in part – for Mr L's remaining loss.

Could Wise reasonably have done anything to recover Mr L's money?

I've considered whether the money Mr L transferred to the scammer could have been recovered. But Mr L didn't report the scam to Wise for several years, so I don't think there was anything Wise could reasonably have done to recover his money which had been quickly moved on to the scammer.

In closing, I am sorry that Mr L fell victim to a particularly cruel scam, and I don't underestimate the impact on him not least because of the way he funded the scam payment. I certainly don't seek to blame Mr L who is the victim of crime. But for the reasons I've explained, I don't think I can fairly hold Wise responsible for his remaining loss.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 6 November 2025.

Amanda Maycock
Ombudsman