

## **The complaint**

Mrs R complains that Wise Payments Limited (“Wise”) won’t reimburse funds she lost as part of a scam.

## **What happened**

In October 2024, Mrs R was looking to purchase some perfume online. Mrs R found a seller of the specific perfume she was hoping to purchase, on a social media website, and contacted them. The seller confirmed the perfume was being sold as well as the price for the item, plus shipping.

Mrs R agreed to the price and sent the relevant funds, via an international payment, to the seller. The payment Mrs R made was for £142.26 (168€) on 30 October 2024.

Mrs R contacted Wise to request they return her funds as she believed she’d been scammed by the seller as she’d received a counterfeit item. Wise looked into the matter but declined to reimburse Mrs R on the basis that this was a civil dispute between her and the seller. Unhappy with this response, Mrs R referred her complaint to our service.

Our investigator looked into Mrs R’s complaint but did not uphold it. The investigator felt that Mrs R was unable to demonstrate she’d been the victim of a scam and that Wise shouldn’t have done any more to prevent the payment at the time it was being made.

Mrs R disagreed with the investigator’s findings and asked for an ombudsman to review the complaint.

As the complaint couldn’t be resolved by the investigator it has been passed to me for 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.

In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mrs R’s complaint. This is not meant to be a discourtesy to Mrs R and I want to assure her I have considered everything she’s submitted carefully.

In deciding what’s fair and reasonable in all the circumstances of a complaint, I’m required to take into account relevant: law and regulations; regulators’ rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Wise is expected to process payments and withdrawals that a customer authorises it to

make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payment was authorised, so the starting position is that Wise isn't liable for the transaction.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Wise also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm. Taking these things into account, I need to decide whether Wise acted fairly and reasonably in its dealings with Mrs R.

I understand that Mrs R is unhappy that Wise have failed to investigate the matter as fraud and instead categorised her claim as a dispute. For the reasons I'll go on to explain, I don't believe that this impacts the outcome of her complaint.

The Payment Systems Regulator introduced the Authorised Push Payment (APP) Scam Reimbursement ("ASR") rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. But, these rules do not cover international payments. As the payment Mrs R is disputing is an international payment, I'm satisfied at the above rules are not applicable.

I've considered whether there is any other reason, outside of the ASR rules, that Wise may have been reasonably expected to have prevented Mrs R's loss at the time the payment was made. Though the sum of the payment is significant to Mrs R, I don't consider it to be substantial enough to have presented a risk to Wise that she may be at risk of fraud or financial harm. Because of this, I'm not persuaded that Wise ought to have intervened and questioned Mrs R regarding the payment prior to its release or that they should've prevented her financial loss at the time the payment was being made.

I've also considered whether Wise did what they should have when they were made aware that Mrs R had fallen victim to a scam. I can't see that Wise contacted the relevant beneficiary bank in an attempt to recover Mrs R's funds. However, international banks aren't subject to the same rules and regulations as UK banks and are under no obligation to return funds following disputes or claims of fraud. Because of this, I believe it unlikely that any recovery attempts by Wise would've resulted in Mrs R's funds being returned. As that's the case, I'm not persuaded that Wise could reasonably be expected to have recovered Mrs R's payment.

Overall, I'm not satisfied Wise should reimburse Mrs R's loss as I'm not persuaded they ought to have prevented the payment at the time it was made or that they could've recovered Mrs R's funds when they were made aware of the scam.

I appreciate this will be disappointing to Mrs R, given the impact this situation has had on her, but I'm unable to say that Wise are liable to reimburse her loss.

### **My final decision**

My final decision is that I do not uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 20 October 2025.

Billy Wyatt  
**Ombudsman**