

The complaint

Mr W complains Wise Payments Limited (“Wise”) didn’t do enough to protect him when he fell victim to a scam.

What happened

Mr W said he received a text message from a supposedly wrong number. Mr W said he and the person, who’ll I’ll refer to as the scammer, continued to exchange messages and within a few days the scammer began to discuss their success in investing.

Mr W said the scammer sent him a link to open an account on a trading platform which he did, sharing his ID for verification. He said this step along with the technical nature of the trading platform gave the scam legitimacy. He said he opened an account with a cryptocurrency exchange at the instruction of the scammer who’d offered assurances on when to invest and that they’d help him do so. Mr W explained he trusted the scammer and they gave him detailed step by step instructions when investing.

When it came to withdrawing his funds, Mr W said the scammer asked for 30% of his assets which he said he questioned, and the scammer insisted he paid this amount. He said it was at this time he realised he’d been scammed.

Below are the transactions I find to be relevant:

Payment	Date	Type of transaction	Amount
1	25 July 2023	Transfer	£5,000
2	31 July 2023	Transfer	£5,000
3	3 August 2023	Transfer	£5,000
4	6 September 2023	Transfer	£10,000

Unhappy with Wise’s response, Mr W raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. They said they didn’t think the payments ought to have triggered an intervention from Wise as they were in keeping with how Mr W used his account.

Mr W didn’t accept the outcome and in response his representative said:

- Payments were made to a company linked with cryptocurrency and so should have concerned Wise.
- It felt the approach of the Financial Ombudsman is to consider statements for the 12 months prior to a scam.
- Mr W’s account statements from the 12 months prior to the scam show the only high value payments made were to himself.
- The genuine £15,000 payment made during the scam period was to Mr W’s nephew who Mr W has sent money to previously.

As an agreement could not be reached, the complaint has been passed to me for a final

decision.

My provisional decision

I issued my provisional decision on 3 April 2025. I decided, provisionally, that I wasn't going to uphold Mr W's complaint. This is what I said.

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 to disappoint Mr W, but I'm not upholding his complaint, for much the same reasons as the Investigator. I'll explain why.

The evidence Mr W has provided of his involvement in the scam is fairly anecdotal. While the bank statements show the payments he says he made towards the scam, 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.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr W authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Wise should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks and Electronic Money Institutions had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

I've thought about whether Wise acted fairly and reasonably in its dealings with Mr W when he made the payments, or whether it should have done more than it did. In doing so I've considered what Wise knew about the payments and Mr W's account activity since he opened the account. Having done so, I think the payments were in-line with how he used his account and didn't suggest Mr W was at risk of financial harm from fraud. I'll explain why.

I've reviewed the account statements from September 2020 to September 2023 and I found several payments of similar amounts to the disputed payments, some that are higher and a considerably higher one-off payment of six figures. I therefore think the payments Mr W said he made as a result of a scam can be considered to be of a value that's in-line with how he generally used his account. It's especially of note that during the scam period Mr W made a payment of £15,000 unrelated to the scam. This further supports that the payments aren't uncharacteristic when compared with how Mr W has used the account since opening it. I've also taken into consideration the payments were made over around a six-week period and to different payees (albeit some new payees) with the largest being the genuine £15,000 payment already mentioned. I therefore don't think the payments suggested Mr W was potentially falling victim to a scam or at risk of financial harm from fraud.

As mentioned, Mr W's representative said it felt the Financial Ombudsman's approach to a

customer's account activity, is to consider account statements from 12 months prior to a scam. While more recent transactions generally provide a more relevant picture of a customer's account activity, where we do have a fuller account history, I don't think it's unreasonable for me to take this into account in order to gain the full picture of the information a firm would have had access to, at the time a payment instruction is made, when it decides whether payments appear to be out of character, or not.

Mr W's representative said the recent larger payments Mr W made (with the exception of the £15,000 payment) were to accounts in his own name, while the disputed payments were not, I can see Mr W made several payments to himself for similar amounts to some of the disputed payments. I've taken this into account, but even so, I don't consider the disputed payments to be uncharacteristic to the point Wise should have intervened. While the disputed payments were to new payees, the third and fourth payments were to legitimate companies based in the UK, which Wise could have been reassured by. I've taken on board what Mr W's representative has said about the first two payments being made to a cryptocurrency provider, and Wise should have been aware of the heightened risk of cryptocurrency related scams at the time they were made. But the business these payments were made to also offers investment services other than trading in cryptocurrency, so I wouldn't necessarily have expected Wise to have identified that these payments were being made to cryptocurrency.

As I don't think the payments ought to have alerted Wise that Mr W was at potential risk of financial harm from fraud, I think it was reasonable for Wise to process the payments in-line with Mr W's instructions. Therefore, I can't say it would be reasonable to hold Wise liable for the losses Mr W says he suffered.

I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Wise needs to refund Mr W's money or pay any compensation. I realise this means Mr W is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've also thought about whether Wise could have done more to recover the funds after Mr W reported the matter and I've considered whether Wise took the steps it should have when Mr W reported he'd lost funds as a result of fraud.

I've seen evidence Wise attempted to recover the funds for the disputed transfers, but it wasn't successful. I'm satisfied it attempted recovery within a reasonable time frame once it was aware Mr W was disputing these payments, so I don't think it could've done anymore to help Mr W. And given the time that had passed since the payments were made, recovery wasn't likely to be successful.

Responses to my provisional decision

Mr W's professional representative replied to say they disagreed with my provisional decision. I've summarised the points they made below.

- Although the provisional decision noted the disputed payments were in line with Mr W's historical account activity. The payments made to new payees which included cryptocurrency entities ought to have triggered an alert from Wise. It's unjust that Wise isn't liable for failing to make enquiries for the disputed payments because the

payments appeared to be legitimate and that the £15,000 payment was atypical and shouldn't influence the assessment of usual account activity.

- Wise ought to have systems in place to safeguard customers and warn them about potential scams, particularly involving cryptocurrency. By not providing adequate warnings or interventions, Wise didn't fulfil its obligation to protect Mr W from financial harm.

Wise didn't respond with any further comments, but as both parties have had an opportunity to add further submissions for my consideration, I'm now able to proceed with making my final 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.

I've fully considered Mr W's recent submission in response to my provisional decision, while I may not comment on every point, I've thought carefully about them all and it doesn't change my decision that I'm not upholding this complaint. I'll explain why.

I've considered what Wise knew about the payments at the time it received Mr W's payment instructions and the business the first two payments were made to also offers investment services other than trading in cryptocurrency, so I wouldn't necessarily have expected Wise to have identified that these payments were being made to cryptocurrency. And the third and fourth payments were to legitimate companies based in the UK.

Taking this into account along with the payments being in-line with how Mr W generally used his account since opening, I don't think the payments suggested Mr W was potentially falling victim to a scam or at risk of financial harm from fraud. It's reasonable to include the £15,000 payment made by Mr W, referenced by his representative and addressed in my provisional decision, when considering how Mr W generally used his account as it helps build a picture of his account usage, particularly because it was made during the scam period.

I recognise Mr W has been the victim of a cruel scam and I'm sorry he lost this money. But because I don't think the payments should have alerted Wise that Mr W was at potential risk of financial harm from fraud, I think it was reasonable for Wise to process the payments in-line with Mr W's instructions. I therefore can't say it would be reasonable to hold Wise liable for the losses Mr W says he suffered.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 15 May 2025.

Charlotte Mulvihill
Ombudsman