

The complaint

Miss T complains Wise Payments Limited won't reimburse her £14,000 that she lost when she fell victim to an Authorised Push Payment ('APP') scam.

What happened

The background to the complaint is well known to both parties, so I won't repeat it all in detail here. But in summary I understand it to be as follows.

In or around October 2023, Miss T was attempting to progress a visa application for a family member. Miss T had previously and successfully used a solicitor who I'll refer to as 'T', for visa applications and so sought their services again.

Miss T initially made payments to T from an account she held with another banking provider. In February 2024, she was then asked to make a further payment for £14,000 – which she facilitated by moving money from the account she held with the other bank to her Wise account and then, on 2 February 2024, moving this money on to a company account, of which T was a director.

Miss T realised she'd been scammed when she didn't receive the service she had paid for and then lost contact with T. She raised the matter with Wise, but it didn't agree to refund her loss.

Unhappy with Wise's response, Miss T brought her complaint to this service. One of our Investigator's looked into things, but didn't uphold the complaint. Although she found Wise ought to have enquired better about the payment for £14,000, she wasn't persuaded that would have prevented Miss T's loss. That was because she thought that even if Wise had intervened more than it did, it wouldn't have made a difference and Miss T would still have wanted to go ahead with the payment.

Miss T didn't agree with our Investigator's view and asked for the matter to be referred to a decision. In summary, she said it couldn't be assumed that a further intervention from Wise wouldn't have made a difference.

As agreement couldn't be reached the complaint has been passed over to me for a 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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having thought about everything carefully, I've come to the same conclusions as our Investigator, and for much the same reasons.

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

I think the payment Miss T made ought to have appeared as unusual to Wise, when considering the typical activity on Miss T's account. Such so that I think it reasonably ought to have made further enquiries about the payment, before allowing it to be progressed.

But this, in and of itself, isn't enough to say that Wise should be responsible for refunding Miss T the money she sadly lost. I'd also need to be persuaded that such an intervention would have made a difference.

Of course, I can't be sure what would have happened if Wise had intervened. In such circumstances, I have to base my outcome on the balance of probabilities, that is, what I consider is more likely than not to have happened, based on the evidence presented to me. Having thought about things carefully, I'm not persuaded that a further intervention by Wise would have made a difference and prevented Miss T's loss.

I say this because I'm persuaded Miss T would have been able to give plausible answers to any questions that Wise could reasonably have been expected to ask. I think she would have been able to convincingly explain, that the payment was being made to a solicitor who she had dealt with successfully previously. Given the solicitors she was paying also appeared legitimate and the company the director was associated with was, at the time, trading on Companies House, I don't think it's more likely than not that there would have been anything in the answers she gave that would have caused Wise any further cause for concern that she may have been at financial risk.

Whilst Miss T has undoubtedly been the victim of a cruel scam, I can only uphold her complaint if I'm satisfied Wise's failings made a material difference to what happened. For the reasons given, I'm not persuaded it would have.

Recovery

I have considered whether Wise did all it could to try and recover the money Miss T lost. Wise was limited in terms of what it could do here; it could only ask the beneficiary bank to return any money that remained in the recipients' account. It needed to make enquiries quickly for the best chance of recovery. It is common for fraudsters to withdraw or move the money on as quickly as possible, which sadly was the case here, with the money already having been removed from the beneficiary account, by the time Miss T reported the scam.

Miss T has told us something of her background and circumstances, which I imagine was hard to do, I thank her for this. I don't mean to in any way diminish the difficult personal circumstances Miss T faced. She has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and I acknowledge that this has been a difficult time for her. But I can't see that Wise would have been aware of any vulnerabilities she had at the time she made the payment, so there would have been no reason for Wise to think she might be at higher risk of financial harm.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 6 June 2025.

Stephen Wise
Ombudsman