

The complaint

Mr L complains that Wise Payments Limited (Wise) didn't do enough to protect him from the financial harm caused by a task-related cryptocurrency scam.

Mr L has been represented by a claims management company throughout his complaint. I have referred to them as Mr L's representatives.

What happened

Mr L was looking to take on additional work and, on 2 September 2023, saw a post on Facebook that was advertising for people to work remotely on a part time basis. He made contact using the details in the advert. Mr L received a message back in WhatsApp, from someone to discuss the job with him. She gave him details about what was required, including how he could earn commission from reviewing films.

Mr L was unfortunately in discussions with a scammer, and he was being persuaded to send over money in a sophisticated task-related cryptocurrency scam. The discussions between the scammer and Mr L, and the scam itself started on 2 September 2023, and ended with him making the last payments on 10 October 2023.

Mr L made several payments using different firms. Mr L, through his representatives, has complained about 3 of them, and 2 of these have been subject to separate complaints, that I am aware have now been settled, in that the firms in question have made offers that Mr L has accepted.

This complaint is about Wise and what it did, or ought to have done here, when Mr L authorised it to make a payment for £7,500 to the scammer on 29 September 2023. Mr L's representatives said Wise didn't do enough and so should compensate Mr L for the full amount, plus interest and a payment for distress and inconvenience. They complained to Wise about this.

Wise said in response, that when Mr L authorised the payment, he was asked online what the purpose of the payment was for. He selected 'payment to friends and family', and in return, Wise then provided follow up questions and a warning about this, including about whether Mr L knew the person he was transferring his money to. Wise said it had tailored its warning, based on the answer that Mr L gave. It said it did all it could and provided a warning, but Mr L, didn't provide an accurate answer to its question. It said Mr L carried on and made the transfer anyway. It said it didn't think it had done anything wrong. It didn't uphold Mr L's complaint.

Mr L's representatives were not in agreement with Wise and so referred his complaint to our service. An investigator from our service said she didn't think Wise needed to take any further action. She was persuaded Wise intervened and provided a proportionate warning based on the answer Mr L provided and did all it ought to have done in the circumstances, but Mr L proceeded with the payment anyway.

Mr L's representatives didn't accept the investigator's findings. It said Wise should have carried out a human intervention and discussed the transaction with Mr L. It said Mr L simply made an error with the choice he made regarding the purpose of the payment, and if Wise had called him, the scam would have been uncovered.

The parties are still not in agreement, so Mr L's complaint has been referred 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.

Wise are not signed up to the voluntary Contingent Reimbursement Model (CRM) that was designed to deal with push payment scams, so I don't think the code applies and I've therefore not considered this any further.

Under The Payment Services Regulations and the terms and conditions of the account, Mr L is presumed liable for the loss in the first instance, in circumstances where he authorised the payment, and I think he did here. However, good industry practice was that Wise ought to have been on the look-out for transactions that were unusual or uncharacteristic to the extent that they might indicate a fraud risk. On spotting such a payment instruction, I would expect Wise to intervene in a manner proportionate to the risk identified. This is something Mr L's representatives said it should have done here, and it thinks a proportionate response would have been for it to provide a human intervention or restrict Mr L's account. So, I have looked into this further.

Should Wise have done more here?

Mr L opened an account with Wise on 28 September 2023 and promptly transferred money from a bank account he held, with a third party, this being 2 payments for £500 and £7,000. He then, the following day, transferred £7,500 from his Wise account to the scammer, who also held an account with Wise.

Mr L had only just opened his account, had transferred money in and then a day later was looking to transfer all of it out again, to an account held in someone else's name. I think this ought to have alerted Wise to ask Mr L about the transfer and use the basis of this to give Mr L a written warning.

Mr L's representatives have suggested that Wise should have gone further, and provided a human intervention, where a series of questions would have uncovered the scam. It said, the consumer duty had come into being by this stage and with that being the case, Wise should have been more responsive and alert to a scam taking place here.

However, there are many payments made by customers each day. There's a balance to be struck between identifying and proportionately intervening in payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). And seeing as this was the first payment made by Mr L; Wise didn't yet know what might be unusual for Mr L; and given that Wise had to balance its responsibilities to detect fraud, with completing payments in a timely and efficient manner, I think that saying Wise was at fault for not applying human intervention at this point would be unfair.

When Mr L went to authorise the payment with Wise, it did trigger an automatic response from it, and I can see that he was asked what the purpose of the payment was. Mr L could

have chosen 'paying to earn money by working online'. If he had done so, which was Mr L's genuine purpose here, he would have received a tailored warning about task-based cryptocurrency scams. But instead, Mr L chose 'payment to friends and family'. Mr L then received further questions about this, according to the screenshots that Wise sent, that included a question about whether Mr L had met the payment recipient in person. Wise said, based on what Mr L had selected, he would have then received a scam warning. But Mr L proceeded with the payment anyway.

After, looking at what happened here, I am persuaded that in the circumstances of Mr L's complaint, Wise carried out a proportionate intervention. Mr L then, by his own admission, selected an incorrect answer, and after receiving further prompts and a warning, went ahead and authorised the payment anyway. I don't think I can fairly say, after seeing all of this, that Wise needs to do anything further here.

I do appreciate Mr L's representative's comments that he didn't understand the importance of choosing the correct payment purpose, when given the choice, but I can't fairly hold Wise responsible for this. I think, in summary, Wise did do all it ought to have done here. So, it follows that I don't uphold Mr L's complaint.

Was Wise able to recover the funds once it found out about the scam?

Finally, I've thought about whether Wise could have done more to recover the funds after Mr L reported the fraud. This is something in certain circumstances it would have been able to look at once it had been notified about the scam from him.

Mr L didn't report the scam to Wise until 4 January 2024, sometime after it all took place. Wise has provided evidence of the money leaving the scammers account shortly after the transfer happened. So, I can see that it was too late with regards to it being able to recover the money on behalf of Mr L, due to it not knowing about it, until months later. So, I don't think it could have done anything more here.

I'm not persuaded Wise needed to do anything other than provide the intervention that it did provide on this occasion. This led to Mr L, going ahead and making the payment anyway. I also don't think Wise had an opportunity to recover his funds.

My final decision

My final decision is that I do not uphold Mr L's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 August 2025.

Mark Richardson
Ombudsman