

The complaint

Mr A complains that Wise Payments Limited didn't do enough to protect him from the financial harm caused by a job scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

On 4 January 2024, Mr A received a WhatsApp message about a job opportunity from someone I'll refer to as "the scammer". When Mr A expressed an interest, the scammer told him about an opportunity to earn money by reviewing films on a platform which I'll refer to as "R". The job required him to pay for tasks using cryptocurrency and at the end of a set of 20-30 'tasks', he would earn commission, and the original deposits would be returned. The scammer told him that a profit was guaranteed.

The scammer told Mr A to open accounts with Wise and a cryptocurrency exchange which I'll refer to as K. The scammer told him to first purchase cryptocurrency and then load it onto an online wallet. On 8 January 2024 and 9 January 2024, he tried to make five transfers to three different individuals, three of which were successful. Wise deactivated the account on 10 January 2024 and on 21 February 2024, Mr A created another Wise account using a different email address and made a transfer of £1890 from the new account. The total loss from the two Wise accounts was £3,502.

In addition to the transactions from Wise, Mr A also made nine transfers from Bank H to K totalling £64,278, two transfers from Bank N totalling £7,749, two transfers from Bank L totalling £19,000, and one debit card payment to a cryptocurrency exchange and 38 transfers to individuals from R totalling £6,625.77.

Having completed the necessary tasks, Mr A asked the scammer if he could make a withdrawal and was told he'd need to make further payments. He realised he'd been scammed on 13 April 2024 when he ran out of money, he lost contact with the scammer and was unable to access his funds.

He complained to Wise with the assistance of a representative, but it refused to refund any of the money he'd lost. It said it had no reason to believe the transfers were fraudulent, there was no transaction history to compare the payments with, and Mr A selected 'friends and family' as the reason for the payments.

Mr A wasn't satisfied and so he complained to this service with the assistance of his representative who said the transfers which were out of character and Wise had failed to provide sufficient warnings. They said it should have contacted Mr A to ask probing questions on 9 January 2023 when he made the fourth transfer for £1,295. Had it done so, they said it would have identified that he was falling victim to a job scam because he was contacted unexpectedly on WhatsApp and required to make deposits for tasks which were getting larger and more frequent, and he was encouraged to take out loans or borrow from family or friends.

They explained that Mr A thought the job was genuine because he'd checked R's website and chatted to the agent via WhatsApp and thought the website seemed authentic, there had been a lot of media coverage regarding the move to remote work, and he was added to a WhatsApp group with other employees/freelancers.

Responding to the complaint, Wise said Mr A was shown sufficient scam warnings before the transfers, and when he said he was sending funds to 'friends and family', he was required to answer more tailored questions. The account was deactivated on 10 January 2024 because he was deemed at high risk of being scammed due to the pattern of spending on the account.

It explained that the new account wasn't detected because it was set up with a different email address and phone number. It said Mr A was shown a warning when he made the transfer from the new account and when asked to provide a payment purpose, he selected 'friends and family'. It said he proceeded with the payment having been shown a warning and having been told that his other account was closed due to being at high risk of scam, so any further intervention wouldn't have made a difference.

Finally, it said that once it was made aware of the recipient bank accounts possibly being used for scam purposes, it took the appropriate actions to close the accounts and prevent further transfers through our service and unfortunately the funds were moved out of the recipient accounts, so they weren't available for recovery.

Our investigator didn't think the complaint should be upheld. He didn't think Wise needed to intervene in any of the first three payments because they were low-value, and each payment was to different individuals.

He explained that the next successful payment was £1,295.79 to Bank H after which Wise closed his account. Around a month and a half later, Mr A opened a second account with Wise using a different email address and phone number and proceeded to make the last payment. Our investigator questioned why Wise didn't pick up that it was the same person opening another account, but he didn't think the payment he made from the account on 22 February 2024 ought to have flagged as suspicious because it was an isolated transaction for a relatively low amount that went to a completely different beneficiary to the previous transactions. And he didn't think a further intervention from Wise would have made a difference, because Mr A had ignored strong warnings from his other banks and misled his other banks when they intervened.

Finally, he explained that Mr A transferred funds to third parties as part of legitimate P2P cryptocurrency purchases and received the cryptocurrency he paid for before moving it to another cryptocurrency wallet, so there was no chance of a successful recovery. And he didn't think he was entitled to any compensation.

Mr A has asked for his complaint to be reviewed by an Ombudsman. His representative has argued that Wise was concerned enough to close the account and that it was negligent in allowing Mr A to create a new account, arguing that if the KYC checks had been done properly, he wouldn't have been able to create another account and make the final payment.

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.

Having done so, I've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr A has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr A 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr A is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr A didn't intend his money to go to scammers, he did authorise the disputed payments. Wise is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

The business is an emoney/money remittance provider and at the time these events took place it wasn't subject to all of the same rules, regulations and best practice that applied to banks and building societies. But it was subject to the FCA's Principles for Businesses and BCOBS 2 and owed a duty of care to protect its customers against the risk of fraud and scams so far as reasonably possible.

I've thought about whether Wise could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency sellers. However, Wise ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr A when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Wise to intervene with a view to protecting Mr A from financial harm due to fraud.

The first three payments were relatively low value payments to different individuals, and there would have been no indication that Mr A was buying cryptocurrency, so Wise didn't need to intervene. The fourth and fifth transfers were cancelled, and Mr A's account was closed, and I wouldn't expect it to have done anything further there.

The fourth and final successful transfer was made from the second account on 21 February 2024 and because of the value of the payment and the fact Wise wouldn't have known Mr A was buying cryptocurrency, I wouldn't expect it to have intervened. Mr A's representative has argued that Wise shouldn't have allowed him to open the account, and I accept that he wouldn't have made the final payment from Wise if it had picked up on the fact he was opening a second account. But Wise has explained that its systems didn't detect that it was a duplicate account because Mr A used a different email address, and even if it had done, don't think this would have prevented his loss because he would likely have made the payment from another bank. So, I don't think it missed an opportunity to prevent this element of his loss.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr A paid an account in his own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Mr A to part with his funds. I haven't found any errors or delays to Wise's investigation, so I don't think he is entitled to any compensation.

Overall, I'm satisfied Wise took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Mr A has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Wise is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined 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 Mr A to accept or reject my decision before 12 September 2025.

Carolyn Bonnell
Ombudsman