

The complaint

Ms H complains that Wise Payments Limited ('Wise') won't refund money she lost as part of a scam.

Ms H is represented in this matter, but for ease of reading I have referred to Ms H throughout this decision.

What happened

The background to this complaint is well known to both parties, so I won't repeat what happened in detail.

In summary, Ms H fell victim to a romance scam. She was persuaded by the scammer to send £5,959 and \$15,285 USD across eight payments to pay medical bills and other costs for the scammer. The relevant payments are:

	date	transaction type	payee	amount
1	14.9.24	international bank transfer	payee 1	£1,430
2	17.9.24	<i>international bank transfer</i>	payee 1	<i>\$6,780 USD (payment bounced back, repaid to Ms H)</i>
3	21.9.24	international bank transfer	payee 2	£1,518
4	23.9.24	international bank transfer	payee 2	£759
5	25.9.24	international bank transfer	payee 2	£1,126
6	25.9.24	international bank transfer	payee 2	\$3,002 USD
7	29.9.24	international bank transfer	payee 2	£1,126
8	29.9.24	international bank transfer	payee 2	\$5,503 USD

Wise asked Ms H to confirm the purpose of the payments and Ms H said it was a payment to friends or family. It then emailed Ms H for more information about the first payment before it was processed. Ms H told Wise the payment was to her daughter in America and was to pay for children's clothes. It also intervened before it processed the payment for \$3,002 USD on 25 September 2024, again Ms H told Wise the payment was to her daughter. She said the payment was to help with living expenses as her daughter had recently moved to America.

Ms H says she realised she had been scammed when the scammer didn't return any of the money she had lent to him.

Ms H complained to Wise. She said she didn't think it had done enough to protect her from being scammed. Wise didn't uphold the complaint. In summary, it said, the payments were completed as directed by Ms H and it had fulfilled its contractual obligations to process the payments. Wise also noted it had intervened twice, but Ms H had not been honest about the true purpose of the payments she was making.

Our investigator said she didn't think the complaint should be upheld. She noted Wise had intervened twice to ask Ms H about the payments and, based on Ms H's responses she didn't think there were sufficient grounds for Wise to think Ms H was at risk of financial harm from fraud when she made the payments. In view of this she said she didn't think Wise was at fault for processing the payments in accordance with Ms H's instructions. She also said she didn't think Wise could have done anything else to recover Ms H's funds once it was informed of the scam.

She noted that the payment Ms H had made on 17 September 2024 for \$6,780 USD had bounced back. I understand that Wise has now refunded this money to Ms H, plus 8% simple interest. It has also refunded £50.05 which was the balance on Ms H's account when it was closed and has paid Ms H £150 in compensation for its error in not returning the bounced payment sooner.

Ms H didn't accept the investigator's view, so the complaint has been passed to me for a final decision. Ms H said she felt Wise should have questioned her more robustly about the payments and, had it done so, it could have uncovered the scam she was falling victim to. Ms H also said Wise had not taken steps to identify her vulnerability. If it had done so, she said it could have taken this into account when it intervened.

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 have reached the same view as our investigator, and for much the same reasons. I'll explain why.

I appreciate Ms H has lost money to a cruel and sophisticated scam. I have a great deal of sympathy for what she's been put through at the hands of the scammer. But, on balance, I can't fairly say Wise should be held responsible for the loss. That's because I don't consider Wise would have been sufficiently on notice that Ms H might have been falling victim to a scam, and I also don't think the funds could have been recovered once the fraud was reported.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI), like Wise, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account and the Payment Services Regulations (PSRs). Ms H 'authorised' the transactions in question (she made them), albeit under the false belief the money was to pay medical bills and other expenses for a person she had become close to.

So, Wise was under an obligation to process the payments – but that isn't the end of the story, as far as the EMI's responsibility goes. While that's the starting position, I've also taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. That means I consider Wise should fairly and reasonably have been on the lookout for the possibility of Authorised Push Payment fraud at the time, and intervened if there were clear indications their customer might be at risk.

Wise has a difficult balance to strike in how it configures its systems to detect unusual activity indicative of a higher risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect Wise (or any business) to check each one. In situations where Wise does decide to carry out further checks, I would expect that intervention to be proportionate to the circumstances of the payment.

The first question for me to decide is whether the disputed transactions ought to have looked concerning enough to have prompted fraud enquiries. The account was newly opened when the disputed transactions were made, so there wasn't any prior account usage for Wise to use to understand what usual activity looked like.

As our investigator noted, Wise intervened before it processed the first payment of £1,430 on 14 September 2024. Ms H had told it that the purpose of the payment was paying friends or family. Wise then messaged Ms H to ask for more information about the payment. Ms H responded to Wise's message:

This money is going to my daughter in America. It's for children's clothes. I hope this answers your queries.

It also intervened before it processed the payment for \$3,002 USD on 25 September 2024, again Ms H told Wise the payment was to her daughter. She said the payment was to help with living expenses as her daughter had recently moved to America. I am mindful that this money was going to a different payee, but as Ms H had previously told Wise she was sending money to her daughter in America and her explanation for the payments remained consistent I don't think Wise would have had reason to make further interventions before it processed the payment.

The payments were also spaced out across two weeks and Wise intervened to query the purpose of the payments for a second time when it appeared the frequency of the payments was escalating. The payment for \$3,002 USD on 25 September 2024, was the second payment to the same payee that day and Ms H had also sent money to the same payee two days before. I think Wise acted correctly when it intervened and asked Ms H about the purpose of the payment before it processed it.

It is very unfortunate that Ms H chose to mislead Wise again about the true purpose of the payment. I have thought carefully about whether Wise should have done more before it processed this payment.

Having considered what Wise knew about the payments at the time it received Ms H's instructions, including that Ms H had told it she was sending the money to her daughter I'm not persuaded that it ought to have been particularly concerned.

Wise promotes itself as an international money transfer service, and so this activity would have been in line with expected use for the type of account they offer. The amount of money Ms H was sending, while I appreciate it is a significant loss for her, doesn't in itself suggest a heightened risk of fraud. Nor was it going to a payee that carried a heightened fraud risk. Instead, it was going to other individual's accounts, and it is not uncommon for customers to transfer payments of this value at times. All of this means that, based on the information Ms H provided to Wise about the purpose of the payments, I don't think Wise would have had enough reason to suspect Ms H was at risk of financial harm from fraud when she made the payments to have intervened further before it processed the payment. So, I can't say it was at fault for processing them in line with her instructions.

I am mindful that Ms H says Wise should have taken steps to identify her vulnerability. And, had it done so, she says it could have taken this into account when it intervened. I

appreciate Ms H's position but given that Ms H had told Wise she was sending money to her daughter and her explanation was consistent both times it intervened, I don't think Wise would have had any reason to suspect Ms H might have a vulnerability that was being exploited by a scammer. I am also mindful that I haven't seen anything to suggest Ms H had told Wise she felt she was a vulnerable customer.

Recovery

I've considered whether, on being alerted to the scam, Wise could reasonably have done anything more to recover Ms H's loss, but I don't think it could have.

Wise has confirmed that by the time they received the fraud report; no funds remained in the recipient accounts. It's common for fraudsters to move money on quickly to other accounts once received, to evade recovery attempts. In the circumstances, I don't think Wise could reasonably have recovered Ms H's losses here.

I'm sorry to disappoint Ms H, and I recognise the huge impact the fraud will have had on her, but, having carefully considered this complaint I can't fairly say that Wise ought to have prevented her loss. Therefore, I can't require it to refund the money she has lost in this scam.

My final decision

My decision is that, for the reasons I have set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 19 January 2026.

Suzannah Stuart
Ombudsman