

The complaint

Mrs P complains Wise Payments Limited trading as Wise ("Wise") hasn't refunded funds she lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I'll only summarise the key details here.

Mrs P said she decided to invest £20,000 in a one-year fixed rate bond with a firm I'll call S, however when she called S regarding the maturing funds, she was told she didn't have a bond with it and realised she had been scammed. It turned out Mrs P had been liaising with a scammer through a cloned bank platform of S, and not S itself. Mrs P told us she spoke with the scammer by phone and asked for everything to be confirmed by email. She said the address in the emails matched S's.

Mrs P complained to Wise, and her complaint wasn't upheld. Unhappy with Wise's response, Mrs P raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and upheld it.

As an agreement could not be reached, the complaint has been passed 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focused 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'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.

I'm sorry that Mrs P has been the victim of a scam. I realise she's lost a significant sum of money, and I don't underestimate the impact this has had on her. It isn't in dispute that Mrs P has fallen victim to a scam here, nor that the disputed payment was authorised. 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.

Mrs P authorised the payment in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance. However, there are some situations when Wise should have had a

closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Wise should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.
- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Wise that Mrs P might be at a heightened risk of financial harm from fraud.

Wise told us it didn't intervene or provide any warning prior to processing the payment. It also said upon review the payment was the largest Mrs P made and so it does stand out and was out of character. Having reviewed Mrs P's account statement, I agree the payment was significantly larger than her previous payments and therefore was unusual and uncharacteristic. This ought to have been a concern to Wise and I think it should have intervened.

I think a proportionate intervention for the risk the payment presented would have been for Wise to have intervened directly with Mrs P and asked open and probing questions about the purpose of the payment and the circumstances around it. I have nothing on file to suggest that she wouldn't have been forthcoming with Wise. If Wise had intervened as I've described, I think the scam would have been uncovered and Mrs P's losses prevented.

I say this because while this was a sophisticated scam whereby the scammer had cloned a legitimate firm and these can be difficult to uncover, there was a clear discrepancy between the firm Mrs P thought she was paying, S, and the destination of the payment being another firm. I accept some firms use processing banks and that the scammer had told Mrs P this was the case, but I think Wise should have highlighted this as a concern to Mrs P and suggested she carry out further due diligence by contacting S directly and checking the Financial Conduct Authority's (FCA) website. I'm satisfied Mrs P would have heeded such advice and there was an active FCA warning about a scam involving a clone of S which Mrs P would have found. And if she had called S prior to the payment being made, it would have told her she held no account with it, as it did in January 2025 when she made contact. I therefore think it's fair to hold Wise liable for Mrs P's loss.

I've thought about whether Mrs P's actions, or in-actions, mean she should share liability for her loss. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Having given this careful thought, I don't think it should.

This was a sophisticated scam, and I'm persuaded Mrs P carried out reasonable due diligence prior to making the payment. I don't think there were obvious concerns to a layperson for example the returns weren't too good to be true. I therefore don't think it would be fair or reasonable to also hold Mrs P liable for her preventable loss.

Scammers typically move funds on quickly to avoid having them returned to their victims. Given the time between the payment being made and the scam being reported to Wise, I don't think there was any chance of successful recovery of Mrs P's funds.

My final decision

My final decision is that I uphold this complaint against Wise Payments Limited trading as Wise and require it to:

- Refund Mrs P £20,000.
- Pay 8% simple interest on this amount, from the date the payment debited her account, until the date the refund is settled (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 14 January 2026.

Charlotte Mulvihill
Ombudsman