

The complaint

Miss W complains that Wise Payments Limited won't refund the full amount of money she lost to a scam.

What happened

Miss W complains that from 6 March 2024 she sent several payments to what turned out to be a scam.

Miss W says that she was sending money to what she thought was a task-based job, when her main bank blocked her payments. At this point she started to use her Wise account and shortly after realised she had been scammed. So, Miss W logged a complaint with Wise.

Wise looked into the complaint but didn't uphold it. Wise also closed Miss W's account. As Miss W remained unhappy, she brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think the payments were significant that they ought to have triggered Wise's payment checking systems. Our investigator went on to say that when Miss W was asked for a payment purpose she chose an incorrect one, so she got a warning that wasn't relevant to the scam she was a victim of.

Our investigator also looked into the account closure and didn't find Wise had done anything wrong or acted unfairly in the circumstances.

Miss W didn't agree with the investigator's view. So, the complaint has been passed to me to decide.

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 decided to not uphold this complaint. I know this will be disappointing for Miss W, so I'll explain why.

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 significant part 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.

I'm sorry if Miss W lost money but this doesn't automatically entitle her to a refund from Wise. It would only be fair for me to tell Wise to reimburse Miss W if I thought it reasonably ought to have prevented the payments or it unreasonably hindered recovery of the funds.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, 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 have reviewed Miss W's account and the payments she made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Wise ought to have found any of the payments suspicious, such that it ought to have made enquiries of Miss W before processing them.

Wise did also ask for the payment purpose for payment 3. Miss W concealed the real reason for the payment by selecting 'friends and family'. This meant Miss W was given an inaccurate warning based on the scam she was falling victim to. Although the payments may have been going through to individuals, the purpose of the payment was to buy cryptocurrency to eventually be transferred to the task-based job. So, more accurate payment purposes were available, and these would have generated more accurate warnings.

I think it's important to highlight that there are many payments made by customers each day and it's not reasonable to expect an Electronic Money Institute (EMI) to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions. EMI's like Wise also rely on their customers providing accurate information to then tailor the warnings given.

Miss W has said that had her father been warned about sending cryptocurrency payments, this would have prevented her from making them. I've addressed this in more detail her father's separate complaint.

It's worth noting that Miss W did have a call with an advisor from her main bank and that advisor told her that if she had been told to give another payment purpose, it is a scam. This doesn't prevent Miss W from sending further payments, even though the scammer had told Miss W to do this. The advisor also tells Miss W that the account she is trying to send money to has flagged up as an account previously involved in a scam.

So, based on what I've said above, If Wise had given any kind of warning to Miss W or her father, I think its most likely Miss W would have gone on to make the payments anyway. Whatever research Miss W had completed before sending more payments and the coaching the scammer was giving her was enough to convince her that the job was legitimate, and she went against the advice of the advisor. Although Miss W has said it wasn't clear it was a scam warning when given, having listened to the call, the advisor was clear in the messages he was giving in relation to the payment purpose and the receiving bank account.

Having considered the account closure, much like the investigator, I'm satisfied that it was done fairly and not against the terms of the account. Although the information can't be shared with Miss W, I hope she takes some comfort in the fact I've seen the reasoning when making my decision.

Miss W has complained that Wise offered a partial refund and then this was taken back. Unfortunately, when Wise investigated this further, the funds were in a family members account that had originated from Miss W's account. So, Wise decided it wasn't appropriate to return these. As the account was owned by a family member, Miss W would be able to ask them directly for the return of funds.

Recovery

Wise tried to recover any remaining funds, but the receiving accounts had been cleared at the point Miss W raised her claim. So, I'm satisfied Wise could not do any more in the circumstances.

Miss W thinks that Wise should refund the money she lost. I understand that this will have been frustrating for her. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Wise needs to pay Miss W any compensation. I realise this means Miss W is out of pocket and I'm sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

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 W to accept or reject my decision before 18 August 2025.

Tom Wagstaff
Ombudsman