

The complaint

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

What happened

Mrs A complains that on the 8 March 2024 and 9 March 2024 she sent two payments of £2,350 and £1,500 to what turned out to be a scam.

Mrs A says that when her daughters account was blocked, she sent money from her account to buy cryptocurrency. Later, she found out they had been scammed. So, Mrs A logged a complaint with Wise.

Wise looked into the complaint but didn't uphold it. Wise also closed Mrs A' account. As Mrs A 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 Mrs A 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 falling victim to.

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

Mrs A 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 for largely the same reasons as the investigator. I know this will be disappointing for Mrs A, 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 Mrs A 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 Mrs A 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 Mrs A'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 either of the payments suspicious, such that it ought to have made enquires of Mrs A before processing them.

Wise did also trigger the second payment and asked Mrs A for the payment purpose. Mrs A concealed the real reason for the payment by selecting 'friends and family'. This meant Mrs A was given an inaccurate warning based on the scam her and her daughter were falling victim to. Although the payments may have been going through other individuals, the purpose of the payment was to buy cryptocurrency for a task-based job. So, there were other more accurate payment purposes Mrs A could have selected that would have given her 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 Institution (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.

Mrs A has referred to a telephone conversation her husband had with Wise. As this was made by her husband, I've referred to it in his complaint response

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 Mrs A, I hope she takes some comfort in the fact I've seen the reasoning when making my decision.

Recovery

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

Mrs A 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 Mrs A any compensation. I realise this means Mrs A 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 Mrs A to accept or reject my decision before 18 August 2025.

Tom Wagstaff

Ombudsman