

## The complaint

Mr M complains that Wise Payments Limited didn't do enough to prevent him from losing money to a cryptocurrency investment scam.

Mr M has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr M himself where I also mean the representative.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In 2023 Mr M says he was the victim of a scam. He responded to an advertisement he'd seen on social media which appeared to be promoting investment and was endorsed by celebrities. He says he provided his details and was then contacted and taken through the process of 'investing'. He says he checked the positive reviews for the company he believed he was dealing with online, and that they seemed professional and knowledgeable. He says he was encouraged to download screensharing software and shown how to open an account with a legitimate cryptocurrency exchange 'W' as well as the account with Wise. As a result of the scam, Mr M says he initially made a £250 payment via a credit card, before he then made the following payments.

Payment Number	Date	Time	Action	Amount	Notes
1	29 November 2023	12.02pm	Transfer to W	£1,000	Made through Wise but funded from Mr M's account with 'R'.
2	29 November 2023	12.23pm	Transfer to W	£1,000	
3	29 November 2023	12.28pm	Transfer to W	£1,000	
4	29 November 2023	12.31pm	Transfer to W	£1,000	
5	29 November 2023	12.33pm	Transfer to W	£1,000	

Beyond those on the table above, there were two further payments made to W (£1,800 and £2,000, both on 30 November 2023). These remained within W's platform and weren't lost to the scam.

Mr M says W blocked his cryptocurrency account as they had concerns and he told the scammer he didn't want to make any more deposits. He says he also asked to withdraw his existing balance from the scammers platform but was told he'd need to pay 'commission' to be able to do so. At this point his suspicions were raised further and he contacted his

representative who confirmed it was a scam.

In January 2024, Mr M complained to Wise. He says they should've done more to stop him making the payments to W. He would like to be reimbursed and compensated. Wise considered the complaint but didn't offer any redress, pointing out they'd provided some warnings at the time. Mr M referred his complaint to our service and one of our Investigators didn't recommend it should be upheld. In summary he thought Wise's actions were proportionate. Mr M didn't accept our Investigators outcome and asked for an Ombudsman to review his complaint. In June 2025 I issued a provisional decision in which I said:

*"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'm intending to reach a different outcome compared to that of our Investigator. So, I'm issuing this provisional decision to give both sides an opportunity to comment before my decision is finalised.*

*It isn't in dispute that Mr M instructed the payments listed above (albeit as a result of a scam). As the funds from the last two payments never left W's platform (they were never sent on to the scammer), I'm satisfied there is no loss in relation to them.*

*For the other payments the starting position is that Mr M is responsible for payments he's made. But Wise should also be alert to the possibility of their customers being at risk of financial harm from fraud and scams and should do what they can to combat this.*

*Wise did intervene and ask more of Mr M in relation to the payments he made to W. He was asked the purpose of his payments and answered that he was 'making an investment'. Wise asked some further questions and provided some warnings about that type of payment purpose. I think this was a proportionate response to the first two payments Mr M made.*

*But by the time we get to payment three, Mr M had instructed £3,000 worth of payments to what Wise most likely would've known was a cryptocurrency exchange. I say this because the sort code he paid is readily identifiable as being associated with W. And by November 2023, Wise would've been aware of the increase in multi-stage scams where payments are moved between different accounts controlled by the victim before being lost to scammers. They also would've known that cryptocurrency can be a common factor in scams. So, upon Mr M's instruction to make payment three, I think Wise should've warned him about the possibility of cryptocurrency scams.*

*And whether that warning had taken the form of in-app questions and warnings, in app chat or even a phone call, I think, on balance, this more likely than not would've made a difference. I say this for the following reasons. The scam that Mr M fell victim to had a lot of the typical hallmarks of such a scam, which whilst not immediately apparent to a layperson, would've been red flags to Wise. These include:*

- Being advertised on social media, particularly with celebrity endorsement.*
- Being contacted by an advisor.*
- A small initial investment that generated a good return before a request to 'invest' more.*
- Involving the use of screen sharing software.*

*Mr M picked the most appropriate option for the payment reasons presented to him when Wise did ask (choosing 'investment'). And I've not seen evidence to support that he was coached to answer otherwise. So, if Wise had asked about the circumstances of his intended cryptocurrency 'investment', I think he'd have truthfully answered. And if Wise had*

*explained how common scams work, pointing out how closely Mr M's circumstances fit those of a common scam, I think it's more likely than not that he would've stopped and not have made further payments. This is further supported by the fact that when W did block his account out of concern, Mr M was open to the suggestion of it potentially being a scam and ultimately discovered it for that reason.*

*I've also thought about whether Mr M should bear some responsibility for his own loss due to contributory negligence. I'm not persuaded that he should in the circumstances of this complaint. Mr M describes and has shared some evidence of the professional looking platform used by the scammers. He also says he conducted some online research before investing and didn't find any adverse information. Ultimately, I don't think Mr M either knew or reasonably ought to have suspected there was a problem but decided to go ahead anyway – such that a reduction for contributory negligence would be appropriate.*

*If Wise had done all I'd expect here, I think the £3,000 loss Mr M suffered from payments three to five (inclusive) would've been avoided. So I'm intending to direct that Wise pay Mr M that amount. And as he's been without the use of that money in the meantime, I'm also intending to direct that 8% simple interest (yearly) be added. This should be calculated between the date of loss and the date of settlement.*

*For completeness, given the relevant payments were used to purchase cryptocurrency which was sent to the scammer, I don't think there was any prospect of Wise being able to make a recovery of them once informed of the problem. So I don't think there were any failings in that regard."*

Mr M responded to say he accepted my provisional decision. Wise didn't agree and made some further points which I'll address below.

### **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.

Wise say that I haven't taken account of what they say were Mr M's incorrect responses to the questions that he was asked. They say Mr M providing incorrect information hindered their ability to protect him. And they say further warnings likely would've been ineffective, given his misleading responses.

Wise asked Mr M *"Did someone reach out to you unexpectedly about this investment?"* and I agree that Mr M responded by saying "no". But I don't think it was unreasonable for him to do so. Mr M's initial complaint submissions include that he saw a celebrity endorsed advertisement on social media and he submitted his details before receiving a call. In this situation, where he'd given his details, I don't think him saying he wasn't unexpectedly contacted was 'incorrect' information. He had received a call, but it wouldn't have been unexpected, it was in response to him leaving his details.

The second instance Wise have highlighted is when Mr M was asked *"Does the investment sound too good to be true?"* which Mr M again answered no to. Wise say this contrasts with Mr M's complaint submissions which say he was assured of a 50% growth rate. I've considered this point and I agree that 50% is a very high rate of return for any potential investment. But, on balance, I again don't think Mr M acted unreasonably in answering as he did. Cryptocurrency is well known as a very volatile asset class. And in this case I don't think the 'assured' 50% return is so clearly unrealistic or implausible such that Mr M's answer should fairly be considered to be misleading.

Wise have also suggested that the use of screen sharing / remote access software means that Mr M would've most likely have been coached through what to say (if the scammer didn't have full control of his device). Mr M clearly wouldn't have wanted to lose his money. And given my finding that he didn't provide misleading information, I think had a scammer asked him to mislead Wise, it most likely would've been a red flag to him. And as I said in my provisional decision, I've not seen evidence to support that he was coached as to how to answer questions from Wise (or anyone else). I've also seen an email between Mr M and W from February 2024 in which he explains that the guidance he received was around setting up that account and making cryptocurrency transfers. He also said the app was uninstalled once he'd been shown this. So I don't agree that either the scammer took control of Mr M's devices, or that it's more likely than not that he would've been coached in such a way that a good warning about cryptocurrency scams wouldn't have been impactful.

Wise also highlighted Mr M's account with W and questioned whether the loss occurred at Wise. They've provided evidence of Confirmation of Payee (CoP) which supports the recipient account was in Mr M's name. I said in my provisional decision that Wise would've been able to identify through the sort code used that the payments were going to W who specialise in cryptocurrency. And it isn't in dispute that the funds I'm directing to be repaid were used to purchase cryptocurrency which was then lost to the scammers. I'm satisfied the relevant payments that Mr M made from his Wise account were as a part of a scam. And just because he held an account with W who's services he used to buy the cryptocurrency and send it on, doesn't change my mind as to the outcome of the complaint. This complaint is about Wise and their actions and I can't comment on the actions of W.

Having carefully considered Wise's further points, I remain of the opinion that Wise should've provided a suitable warning about cryptocurrency scams and that (given the number of key hallmarks that there were in this case), this would more likely than not have been impactful. I'm not persuaded to deviate from the outcome explained in my provisional decision and I believe the award I'm making is a fair and reasonable way to resolve this matter.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint.

Wise Payments Limited must pay Mr M £3,000. 8% simple interest (yearly) should be added to this amount. This should be calculated between 29 November 2023 and the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 July 2025.

Richard Annandale  
**Ombudsman**