

The complaint

T complains Wise Payments Limited trading as “Wise”, refuses to refund it for unauthorised transactions on its account.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, this complaint has been brought the directors of T who say £6,070.25 was taken out the company account via unauthorised card payments. One of the directors, I’ll call him “B”, says he received a call from someone claiming to be from Wise. During this call he received an one-time passcode (OTP) notification for a transaction on his account, which he says he didn’t share with the person on the phone. After some time, he became suspicious of the caller and decided to hang up. However, he then noticed three unauthorised transactions had already been made from T’s account. T says Wise should refund the transaction as unauthorised, and it thinks these should’ve been blocked in the first place as they were out of character for the account.

Wise says it has considered the evidence at hand, but feels it is fair to hold T liable for these transactions. It says the transactions were all completed online using the correct card and billing address details, and they were verified using OTP’s sent to B’s phone. It says the transactions would not have been completed successfully without these OTP’s, and as B has confirmed he received them, he must therefore have also authorised the transactions.

Our investigator considered this complaint and decided not to uphold it. T was not happy with this outcome, so 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.

Generally speaking, Wise is required to refund any unauthorised payments made from T’s account. Those rules are set out in the Payment Service Regulations 2017. T has said it didn’t carry out the transactions in dispute. So, I have to give my view on whether I think T (or either of the directors) did authorise the transactions or not.

Wise has provided evidence that the transactions in dispute were online card payments using the debit card details linked to T’s account. This means whoever made the payments had the correct card number, the expiry date and CVV code. The transactions were made successfully via these details, so I am satisfied they were correctly authenticated. I will now consider the issue of consent.

Wise’s evidence shows that all the transactions were subject to an additional security step using an OTP sent to B’s registered phone number. B has confirmed receiving at least one of the OTPs, so I see no reason to doubt he would’ve received all three. These OTPs were

used on the merchant's website to confirm the transactions were genuine. B says he didn't share any codes with anyone else, but the evidence shows they were used to verify the payments.

Based on what I've seen I think there are three possible options here. One is that B carried out the transactions himself. Another option is that he consented to the transactions by providing his card details and the OTP to someone else to make the transactions on his behalf. The third option is that a third party obtained his card details to make the transactions in dispute and then tricked him into sharing the OTP over the phone.

In practical terms, it doesn't make any difference which of these three options happened here. That is because I think T is liable whether B carried them out himself; or allowed someone else to do so; or was grossly negligent by sharing the OTP with a third party. The terms and conditions of the account, to which T's directors would've had to consent to when opening the account, provide the customers must keep their information secure, so by not doing so, B was also breaking the terms and conditions of the account. I've also seen that the OTPs sent to B's phone clearly state these shouldn't be shared with any third party, even a Wise employee. It's possible that B shared these codes with the person on the phone under the guise that they were genuinely verifying B's identity as a Wise customer. But even if this was the case, T will be liable for the payments.

T has argued that Wise should have blocked the payments and done more protect it's account from fraud. I've thought about this, but I don't think it would be reasonable to hold Wise liable for these transactions on this basis, and I'll explain why.

Usually we would expect large payments, perhaps international payments, or payments significantly out of character to be flagged. The payments in dispute were individually for a relatively low sum and there was no indication that this could have been fraudulent – like incorrect OTP entries or online banking logins from another country. The transactions were subject to an additional verification method, which required access to B's phone and this step appears to have been completed successfully. So, I don't think Wise did anything wrong by not blocking these transactions.

I appreciate this decision will be disappointing to T, but for all the reasons outlined above I think it is fair to hold T responsible for the transactions in dispute. I can see that T has asked for the OTP verification method to be reviewed and improved, however, at this time there is no guidance from the FCA which prevents this being used as a verification method. So, I can't say that Wise need to do anything further here.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 13 August 2025.

Sienna Mahboobani
Ombudsman