

The complaint

G, a limited company, complains that Wise Payments Limited won't refund the money that its director – Mrs L – lost to a scam.

What happened

Both sides are most familiar with the case, and we must anonymise decisions, so I'll summarise what happened relatively briefly.

Mrs L explained that she was looking to book a personal holiday in an entirely personal capacity. She used G's account and G's funds to do so, but has clarified that the holiday had no connection to G's business operations or profit.

To book Mrs L's holiday, G made an international payment of nearly €9,000 to a travel merchant in November 2024. However, Mrs L discovered that there were scam concerns about the merchant online, and that the accommodation didn't match up to what was advertised. The merchant ceased communicating and disappeared.

In December 2024, Mrs L reported the matter to Wise. Wise attempted to recover the money from the receiving bank abroad, but this was unsuccessful. Wise directed Mrs L to report the scam to the authorities. Wise didn't think they were liable for the loss.

Our Investigator looked into things independently and didn't uphold the complaint. Mrs L didn't agree, so the complaint's 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.

I understand that Mrs L fell victim to a scam, for which she has my sympathy. I appreciate that such scams can feel cruel and distressing. And I appreciate why she'd want to try to get the money back. We must keep in mind that it's the scammer who's primarily responsible for their own scam, rather than Wise. And it's the scammer who'd really owe the money back, rather than Wise. But this case isn't against the scammer, it's against Wise. So I'm just considering what Wise are responsible for. To clarify, Wise are not the police, so they're not responsible for carrying out a criminal investigation into the scammer. And Wise were not the victim of the crime – they were correct in directing their customer to report this to the police.

I must also clarify that we're not the regulator – that's the Financial Conduct Authority (FCA). So we're not here to set industry processes or to hand out fines or to punish businesses. We're also not a consumer advocate, nor a business advocate, nor a fraud protection agency as Mrs L suggested. We're a free alternative to the courts, here to impartially assess complaints between financial businesses and their customers.

Now, we're not able to consider every complaint that's brought to us. We have to follow the Dispute Resolution rules (DISP) as set out in the handbook of the Financial Conduct Authority (FCA).

Under those rules, we can only consider complaints from eligible complainants. Here, this is G's account, and G is the eligible complainant. Mrs L is not an eligible complainant in this case – this isn't her account. Mrs L and the limited company G are separate legal entities. In much the same way that Mrs L can't usually be held personally liable for G's debts, she also can't usually make personal claims for G's account. This is similar to how, broadly speaking, only Mrs L could complain about her own sole personal accounts. Another person couldn't normally bring a case to us about Mrs L's money in Mrs L's sole account. G is not Mrs L, and G's business account is not Mrs L's personal account, much as Mrs L's personal account is not G's business account. But this complaint regards payments using G's money on G's account. Mrs L is not eligible to bring that complaint in a personal capacity. To clarify, this is not an irrelevant excuse as Mrs L suggested, it's a fundamental rule that we have to follow. We are simply not allowed to consider a case about this matter from Mrs L in her personal capacity – she is not the eligible complainant.

G is the eligible complainant, and can bring the complaint against Wise. But I could only potentially tell Wise to reimburse G if G suffered a relevant loss. After all, if G didn't lose anything itself, then there's nothing for Wise to potentially refund to G. And G didn't suffer any relevant loss here. This payment had no connection to G's business operations or profit, and was of no benefit to G – it was for Mrs L's holiday in an entirely personal capacity. Even if Mrs L hadn't been scammed and even if the booking had been successful, G wouldn't have had the holiday – Mrs L would. And G would have still been down the money anyway. In other words, the scam made no real difference to G's position. So G didn't suffer any relevant loss here, and there's no relevant loss to potentially hold Wise liable for in any case.

Essentially, in spending this money from G's business account, Mrs L was effectively withdrawing an asset from the company for her own use, which would commonly be treated as a loan from G to Mrs L. So G would be owed the money back by Mrs L rather than Wise.

With that said, even if I were to somehow find that Mrs L could complain personally or that G suffered a relevant loss – which, as set out above, is not the case – I'm afraid I still couldn't reasonably hold Wise responsible for that loss. I'll explain why, just for information.

It's not in dispute that G authorised the payment involved. So although it didn't intend for the money to end up with a scammer, under the Payment Services Regulations, G is liable for its own payment and the resulting loss in the first instance. And broadly speaking, Wise had an obligation to follow G's instructions – the starting position in law is that e-money firms are expected to process payments which a customer authorises them to make.

Wise should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. This type of remittance account was intended for payments like these; and it was a business account, which commonly deal in larger transactions than personal accounts. And indeed, in the preceding period, G made numerous euro payments to various payees, and often dealt in similar or even larger amounts. This payment was broadly in-line with this account's purpose, type of business, and prior activity. It was just the one payment rather than a series of payments made rapidly or in any suspect pattern, it was made from a very sufficient balance, and it was genuinely authorised, with nothing overtly suspect about it. I'm afraid that this payment was not nearly so remarkable or out of character that Wise needed to intervene here.

I've then considered what Wise did to try to recover the money after Mrs L told them about the scam. I see that Wise did raise a recall request for the receiving bank, but this was turned down. And I'm afraid there wasn't really anything more that could be done if the recall attempt was rejected. The receiving bank was outside the UK, and so was not bound by UK procedures, and Wise did not have the power to forcibly take back the money. Further, scammers will commonly move on the money as quickly as possible, before the victim realises what happened. And this payment was reported weeks after the fact. So by that point, it was not realistically likely that the money was still there to recover regardless. As this was an international payment, it was not covered by schemes like the CRM code or ASR rules. And I'm afraid there was nothing more that Wise could've reasonably done which would have realistically got the money back.

But, again, I must reiterate that I am just providing the above for information, as I appreciate that Mrs L found it unsatisfying being told that she was not eligible to complain. I must reiterate, though, that Mrs L really isn't allowed to bring this complaint in a personal capacity, and G did not suffer a relevant loss that Wise could potentially be held liable for. So I'm afraid that this case could not succeed regardless.

Finally, while I do understand that Mrs L found the matter most distressing and lost out on her holiday – and again, she has my sympathy there – I'm unable to consider personal losses to Mrs L. Because, as set out before, Mrs L is not an eligible complainant here. G is the eligible complainant, but G – being a legal entity rather than a living person – is unable to suffer distress, and this wasn't G's holiday anyway. Further, as set out above, I've not found that Wise got anything substantially wrong here. It was the scammer who carried out the scam, rather than Wise, and it's the scammer who's primarily responsible for the distress and loss of holiday that their scam caused.

So while I'm very sorry to hear about what the scammer did to Mrs L, I cannot hold Wise responsible for that loss. I'm afraid that this complaint is unable to succeed at every stage: Mrs L is not allowed to complain in a personal capacity, G did not suffer a relevant loss, and – even if we could somehow set those things aside – Wise would still not be liable on the merits of what happened. And so I cannot fairly or reasonably tell Wise to reimburse the payment in this particular case.

My final decision

For the reasons I've explained, I do not uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 15 December 2025.

Adam Charles
Ombudsman