

The complaint

Mr H complains Wise Payments Limited won't refund the full amount of money he lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr H complains that on 05 March 2024 he sent a payment of £1,040 on behalf of his daughter to what turned out to be a scam.

Mr H attempted to make further payments, but these were stopped for additional checks before Mr H then cancelled them.

Mr H felt Wise ought to have stopped the payment and uncovered the scam, so he logged a complaint. Mr H also complained about a call he had with a Wise advisor and that the account was closed.

Wise looked into the complaint but didn't uphold it. So, Mr H brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. In summary, our investigator didn't find the payment was of a value that ought to have concerned Wise or its automatic checking systems. He also didn't think Wise had acted unfairly or against the terms of the account when it closed Mr H's bank account.

As Mr H didn't agree with the investigators view, 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 Mr H, 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 Mr H lost money but this doesn't automatically entitle him to a refund from Wise. It would only be fair for me to tell Wise to reimburse Mr H 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 Mr H's account and the payment he made to the scam. Having considered when it was made, its value and who it was made to, I'm not persuaded Wise ought to have found the payment suspicious given its value, such that it ought to have made enquires of Mr H before processing it.

Following the payment made to the scammer, Mr H attempted several others that were stopped. This then resulted in Mr H's account being closed.

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. Amongst other parameters, EMI's like Wise also rely on their customers providing accurate information regarding payment purposes to enable them to consider if any warnings should be given.

Mr H has complained that when he spoke to a Wise advisor to enquire about a blocked payment, he wasn't warned about the potential scam. Mr H has said that had he been warned, he would have then passed this warning on to his daughter and prevented further money being lost. Mr H also complained that he wasn't made aware that Wise didn't allow payments in relation to cryptocurrency purchases.

I've thought about this point carefully, but it doesn't change the outcome I've reached. Mr H had cancelled the previous payments before any additional checks were performed, so I'm not convinced the advisor would have had any information to pass on to Mr H at this point.

It's worth noting that Mr H has said that if Wise had mentioned cryptocurrency payments were not allowed, this would have stopped the scam from happening – but the payments only ended up with Mr H as his daughter's bank had blocked the same payments with scam concerns. So, I think he would still have made the payments if he was informed of this.

Our investigator has rightly pointed out, Mr H's daughter had warnings from the bank she sent funds from, and this didn't prevent her from doing so. So had Mr H had a relevant warning and passed this on, I'm not convinced Mr H's daughter would have decided to stop sending money.

It's also worth noting that several of the banks involved in sending money to the scam also asked for payment purposes. Accurate answers were not given, and in my view this evidences the influence the scammers had during this scam. What this means is that any automatic warnings that were given would be tailored to a different scam type and would have unlikely resonated with those involved in sending them.

Although Mr H wasn't advised on the call that using the account to buy cryptocurrency was against the terms of his account, Mr H had access to these terms and would have most likely signed up to them when he opened the account. So, I don't find any detriment was caused when it wasn't mentioned again by the advisor. Mr H also mentioned the account not being

right for him if the payments couldn't be made instantly, so I'm satisfied that had they told him payments could not be made to cryptocurrency providers, it's most likely he would have used another method to make them.

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 Mr H as to why it was eventually closed, I hope he can take some comfort in the fact I've seen the reasoning when making my decision.

Recovery

Although Wise hasn't said it attempted any recovery of the funds, Mr H logged the complaint 10 days after the payment was made. From what we know of scams of this nature, funds are usually moved within 24hrs of the payments being made, to hinder any chance of recovery. So, I'm satisfied Wise were unlikely to have been able to recover any funds had they raised a claim with the receiving accounts.

Mr H thinks that Wise should refund the money he lost. I understand that this will have been frustrating for him. 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 Mr H any compensation. I realise this means Mr H is out of pocket and I'm sorry he'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 Mr H to accept or reject my decision before 18 August 2025.

Tom Wagstaff
Ombudsman