

The complaint

Mrs E complains that Wise Payments Limited (Wise) didn't do enough to protect her from the financial harm caused by a cryptocurrency-based investment scam.

Mrs E has been represented by a claims management company throughout her complaint. I have referred to them as Mrs E's representatives.

What happened

Mrs E responded to an advertisement on social media, that promoted an investment opportunity. She said she made contact and soon after received a response from the company. After confirming she was looking to make an investment, she was called by someone purporting to be an adviser.

Mrs E was unfortunately in discussions with a scammer, and she was being persuaded to send over money in a sophisticated cryptocurrency-based investment scam. The discussions between the scammer and Mrs E, led to her initially paying a relatively small amount from an account with a third party.

Mrs E could see that she was making money and because of this was persuaded to open an account with Wise, after which she made four payments. She made her first on 16 October 2023 and the last of the payments on 23 November 2023. The total she sent over during this period was £19,500. Mrs E realised she was being scammed, after she made her last payment. She was told she needed to pay £9,500 for liquidity verification but was then asked for another £9,000 as a 'safety deposit' before she received a withdrawal.

Mrs E's representatives said Wise didn't do enough to intervene with this scam and so should compensate Mrs E for the full amount, plus interest and a payment for distress and inconvenience. They complained to Wise about this.

Wise said in response, that when Mrs E authorised the payments, she was asked online what the purpose of each payment was for. She selected 'payment to friends and family' each time, and in return, Wise then provided follow up questions and a warning about this, including about whether Mrs E knew the people she was transferring her money to. Wise said it had tailored its warnings, based on the answers that Mrs E gave. It said it did all it could and provided warnings, but Mrs E, didn't provide an accurate answer to its question on each occasion. It said Mrs E carried on and made the transfers anyway. It said it didn't think it had done anything wrong. It didn't uphold Mrs E's complaint.

Mrs E's representatives were not in agreement with Wise and so referred her complaint to our service. An investigator from our service said he didn't think Wise needed to take any further action. He was persuaded Wise intervened and provided a proportionate warning based on the answers Mrs E provided and did all it ought to have done on each occasion, in the circumstances, but Mrs E proceeded with the payments anyway. He concluded that Mrs E was being coached by the scammer into what to say, to make the payments go through. He said Wise would have been unable to intervene and expose the scam on this occasion.

Mrs E's representatives didn't accept the investigator's findings. It said Wise should have carried out a human intervention and discussed the transactions with Mrs E, making probing and effective questioning. It said she opened a new account and said she was paying large sums to new payees but was calling them friends and family. It said there were rapid payments in and out of the account and the sums were increasing. Mrs E's representatives said Wise should have done more to expose the scam, and if it had done from the first payment but at the least by the third payment, then Mrs E wouldn't have gone ahead with the payments.

The parties are still not in agreement, so Mrs E's complaint has been referred to me for a 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.

Wise are not signed up to the voluntary Contingent Reimbursement Model (CRM) that was designed to deal with push payment scams, so I don't think the code applies and I've therefore not considered this any further.

Under The Payment Services Regulations and the terms and conditions of the account, Mrs E is presumed liable for the loss in the first instance, in circumstances where she authorised the payments, and I think she did here. However, good industry practice was that Wise ought to have been on the look-out for transactions that were unusual or uncharacteristic to the extent that they might indicate a fraud risk. On spotting such a payment instruction, I would expect Wise to intervene in a manner proportionate to the risk identified. This is something Mrs E's representatives said it should have done here, and it thinks a proportionate response would have been for it to provide a human intervention or restrict Mrs E's account. So, I have looked into this further.

Should Wise have done more here?

Mrs E opened an account with Wise on 13 October 2023, so not long before she made the 4 payments, that ended up with the scammers. Mrs E had only just opened her account, and began transferring money in and then shortly later, transferred all of it out again, to an account held in other people's names.

The first two payments made were for relatively small amounts and I wouldn't normally have expected Wise to have made an intervention here. I think by the third payment though, when Mrs E authorised a payment for £7,000, it ought to have intervened and asked more about this. I think from the third payment; Wise should have used information gathered to provide a written warning. That said, I can see Wise did carry out an intervention on all 4 payments and so as this was the case, I need to consider whether Wise ought to have done more here than it did.

As I have just alluded to, when Mrs E went to authorise each of the 4 payments with Wise, it did trigger an automatic response from it, and I can see that she was asked what the purpose of each payment was. To date, the parties have discussed to what degree the scammer was in control of Mrs E's account and whether she was coached in the choices she made.

I have read the correspondence between Mrs E and the Scammer. I think from reading this, I'm persuaded Mrs E made the payments and made the choices on each occasion when she

received the intervention from Wise, albeit she may well have been coached by the scammer about what to say. It is telling that she chose the same answers on each occasion.

Mrs E could have chosen 'making an investment' from a range of options provided by Wise each time she made a payment. If she had done so, which was her genuine purpose here, she would have received a warning about investment scams. But instead, Mrs E chose 'payment to friends and family'. Mrs E then received further questions about this, according to the screenshots that Wise sent, that included a question about whether Mrs E had met the payment recipient in person. Wise said, based on what Mrs E had selected, she would have then received a scam warning. But Mrs E proceeded with the payments anyway.

After, looking at what happened here, I am persuaded that in the circumstances of Mrs E's complaint, Wise carried out proportionate interventions on each of the 4 occasions. Mrs E then, by her own admission, selected an incorrect answer each time, and after receiving further prompts and a warning, went ahead and authorised the payments anyway. I don't think I can fairly say, after seeing all of this, that Wise needs to do anything further here.

Mrs E's representatives said that Wise should have gone further, and provided a human intervention, where a series of probing and effective questions that would have uncovered the scam. It said, Wise should have been more responsive and alert to a scam taking place here.

However, there are many payments made by customers each day. There's a balance to be struck between identifying and proportionately intervening in payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). And seeing as these payments represented the sum of all transactions made by Mrs E; Wise didn't yet know what might be unusual for Mrs E; and given that Wise had to balance its responsibilities to detect fraud, with completing payments in a timely and efficient manner, I think that saying Wise was at fault for not applying human intervention, would be unfair.

I think, in summary, Wise did do all it ought to have done here. So, it follows that I don't uphold Mrs E's complaint.

Was Wise able to recover the funds once it found out about the scam?

Finally, I've thought about whether Wise could have done more to recover the funds after Mrs E reported the fraud. This is something in certain circumstances it would have been able to look at once it had been notified about the scam from her.

Mrs E reported the scam to Wise on 27 November 2023, a short while after it all took place. Wise has told our service the money left the beneficiaries accounts shortly after the money was transferred, and Mrs E was informed of this on 30 November 2023. So, I can see that it was too late with regards to it being able to recover the money on behalf of Mrs E. So, it doesn't look like it could have done anything more here.

I'm sorry Mrs E was scammed and lost her money. I do have empathy for her about what happened here, but in conclusion I can't fairly tell Wise to reimburse her, for the reasons I have given. The scammers were ultimately responsible for Mrs E's financial loss, and I think on this occasion, Wise don't need to do anything further.

My final decision

My final decision is that I do not uphold Mrs E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 29 August 2025.

Mark Richardson
Ombudsman