

The complaint

Ms N complains that Wise Payments limited won't refund a transaction made as a result of a scam.

What happened

Ms N was the victim of an investment scam in May 2022. She explained she initially made a small investment and was then contacted about investing more using a loan. She said she didn't agree to this, but the fraudster – using remote access software – applied for a £10,000.00 loan in her name and transferred the proceeds from her Barclays account to a newly opened Wise account. From there, the funds were sent to a cryptocurrency exchange and subsequently lost to fraudsters.

Ms N explained she believed the fraudsters were helping her withdraw what she thought she had made from the initial investment, and that when she realised what had happened, she was assured she'd be able to repay the loan shortly. But this didn't materialise, and following further requests for more money, she realised she had been scammed.

Ms N disputed the lending and the payments with the loan provider, Barclays, and Wise, and she raised complaints. The loan provider agreed for Ms N to only repay the principal sum of the loan, excluding interest and charges. Barclays said it would refund half of the £10,000.00 payment, as it considered it ought to have stepped in, but also that Ms N should have done more to prevent her losses. Wise didn't uphold the complaint, explaining it followed her instruction and had no reason to believe the payment wasn't legitimate. It also didn't think the payment was unauthorised.

Unhappy, Ms N brought her concerns to our service via her representatives. I sent my provisional thoughts, which outlined why I considered the payment to be authorised and why, even if I thought Wise ought to have intervened differently, I don't think there's more for Wise to put right. That's because I considered it fair to make an overall 50% deduction for contributory negligence from her losses, and Barclays has already refunded the remaining amount.

Ms N's representatives accepted my finding in relation to contributory negligence. But they highlighted Wise's error in failing to intervene with this payment, and the broader consequences for firms like Wise should they not intervene in cases of fraud. In light of this, they submitted that the 50% deduction should be applied to Ms N's remaining losses, rather than the overall payment. Otherwise, they said, Wise carries no consequence for its mistake and benefits from Barclays' settlement.

The complaint has therefore come back to me to make 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.

I've carefully reflected on Ms N and her representatives' response to my findings. I do understand the points raised, but I remind them my role is to consider Ms N's individual complaint, and it's not to punish a business. Instead, it's to make sure that Ms N hasn't unfairly lost out because of a business's mistake. In other words, she's put back in the position she ought to be in had the errors not happened.

Here, it's agreed that Ms N bears responsibility for some of her losses. And given that the alleged mistakes of the firms are similar in nature (in that they both arguably failed to intervene and that caused her losses), I don't find their combined errors mean they're more at fault than if only one of them made the mistake. Or, put another way, I don't think it's fair to hold Ms N less at fault simply because there are two parties involved.

I recognise that such an approach means Wise won't suffer financially from the decision and has arguably benefitted from Barclays' refund. But as I said, my role isn't to punish Wise – so I can't tell it to put right what has already been, in my opinion, fairly redressed.

It's also open for Barclays to pursue the matter with Wise if it wants. In practice, I doubt this regularly happens, because it could, of course, go both ways depending on the complaint.

It follows that I've not changed my mind about what's a fair outcome to this complaint. For completeness, I've included my provisional reasons again below.

Authorisation

I'm sorry to read about the scam Ms N fell victim to – they're awful experiences, not least for the money lost. My role is to consider whether it's fair to tell Wise, her account provider, to put right her outstanding losses. The first step is to consider whether the payment was authorised. Under the Payment Services Regulations 2017, the starting position is that a customer is liable for authorised payments, and the payment service provider is liable for unauthorised ones.

Authorisation usually means that the account holder either made the payment themselves or gave someone else permission to make the payment on their behalf. In assessing whether that happened here, I've noted the following:

- A successful loan application was made in Ms N's name, which required detailed personal and financial information. The lender's records show the loan documentation was emailed to her at the time.
- There were multiple logins to Ms N's Barclays account requiring her credentials, and a payment was made from Barclays to Wise. Barclays' records show that one time passcodes (OTPs), sent to her mobile device, were used both to log in and to make the payment.
- A new Wise account was opened using her details, followed by a payment from Wise to "CB Payments". Given the requirement for a cryptocurrency wallet to be funded by an account in the same name, it's likely this went Ms N's Coinbase account. Wise's records show that OTPs were sent to her device to both log in and for payment authorisation.
- The records show a login to the Wise account from Ms N's iOS mobile device between the incoming Barclays payment and the outgoing crypto-related payment.

- It appears the loan application was made around 10am, funds reached Barclays at 11.17am, the Wise account was opened at 2.50pm, the Barclays–Wise payment was made at 3.09pm, and the Wise–CB Payments transfer was set up around 3.30pm and finalised two hours later. A further transfer out of Ms N’s Coinbase account to the fraudster’s wallet was likely made after that. Please note that timestamps can differ due to banks using different time zones, but this seems to still represent the overall timeframe.

Taking these points together, I accept it’s possible this occurred without Ms N’s involvement or understanding. But civil disputes like these are decided on the balance of probabilities – and I don’t think that’s more likely than not. That’s because of:

- the extended duration of events,
- the volume and accuracy of information used about Ms N,
- the repeated involvement of her mobile device for OTPs,
- access to an account from her own device, and
- the information issued to her email address.

I don’t think it’s likely that she would reasonably have believed these steps were part of a legitimate process to withdraw money, or that, if she was none the wiser, she wouldn’t have noticed anything concerning throughout this period before it was too late.

So, even if Ms N didn’t carry out the steps herself, I think it’s more likely than not she gave permission for someone else to act on her behalf, even if this happened reluctantly. I therefore consider that Wise acted fairly in treating this as an authorised payment scam.

Wise’s intervention and causation

The next step would normally be to consider whether Wise should have intervened and, if so, whether that would have prevented the loss. However, even if I were to find that Wise failed to act appropriately, I would still need to assess contributory negligence.

Contributory negligence

I need to consider whether Ms N’s actions fell below what I’d expect of a reasonable person. In this case, I think there were several reasons to be cautious:

- There wasn’t much information to support the broker’s legitimacy.
- A significant loan was applied for in Ms N’s name, despite her reluctance and expressing concerns about affordability. The lender was misled about the purpose of this.
- She was assured the loan would be repaid through investment returns.
- She was asked to provide sensitive personal and financial information to access multiple accounts and facilitate payments.

I think a reasonable person would have been more sceptical about whether a genuine broker would act in this way, and whether any cryptocurrency investment could legitimately guarantee the returns suggested. So on balance, I think a 50% deduction for contributory negligence is fair.

Barclays has already refunded half of the loss. So even if I were to conclude Wise made an error in how it intervened, I don’t think Wise needs to make any further payment in this case. And I consider that overall, the way the matter has already been put right is a fair outcome.

I realise this will be disappointing news for Ms N, but I hope my explanation explains why I've reached this decision.

My final decision

For the reasons I've explained I don't uphold Ms N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 27 April 2026.

Emma Szkolar
Ombudsman