

The complaint

Mr K has complained that Wise Payments Limited won't refund the money he lost after falling victim to a scam.

What happened

In summary, in 2022 a close friend introduced Mr K to an investment manager, who in turn recommended him to an international investment platform. The friend had been using the platform and had already had positive results. Unfortunately, it later turned out that the platform had been operating a scam.

Over the course of a few months, Mr K paid over £40,000 into the platform in three payments. He did this by moving funds from his bank account to his Wise account, then by making international transfers to a financial services platform, which then forwarded the money to the investment platform.

In 2023, the investment platform faced legal action and shut down, and Mr K was unable to withdraw his funds.

In 2024, Mr K complained about the scam to Wise via representatives. Wise refunded a third of the loss from the second and third payments, feeling they shared liability for those with Mr K and his other bank involved. Mr K brought the case to our service.

Our Investigator looked into things independently and didn't uphold the complaint. Mr K asked for an ombudsman's final decision, 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 Mr K fell victim to a scam, for which he has my sympathy. I appreciate this cannot have been an easy matter for him to face, and I appreciate why he would like his money back. It's worth keeping in mind that it's the scammers who are primarily responsible for their own scam, and it's the scammers who really owe Mr K his money back. But I can only look at what Wise are responsible for. Having carefully considered everything that both sides have said and provided, I can't fairly hold Wise liable for Mr K's loss. I'll explain why.

It's not in dispute that Mr K authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for his own payments and the resulting loss in the first instance. And broadly speaking, Wise had an obligation to follow his 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, though a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments.

Both parties accept that Wise should've intervened here at the point of the second payment. Mr K's representatives suggested that this meant Wise were automatically liable for the loss. But I'm afraid they've not understood the considerations involved. We're not the regulator, so we're not here to fine or punish firms for failing to intervene. And the question isn't whether such intervention could've reduced the risk of loss in general, but whether it was most likely to have stopped the loss in this particular case. It wouldn't be fair for me to hold Wise responsible for this loss on the basis of failing to intervene, if I thought that such intervention would most likely have not stopped that loss anyway.

Having carefully considered the matter, I agree with our Investigator that reasonable, proportionate intervention was unlikely to have uncovered the scam or prevented the loss here. From what Mr K has provided, he was recommended this investment by a genuine investment manager – one who's still operating today, having been introduced by a close long-standing friend who'd already seen positive results. He was provided with due diligence documentation, insight and performance data, his first deposit had already been successful and both he and his friend were happy so far, and he had full visibility of his investment via a legitimate trading site. From what we've been given, Mr K was a relatively experienced investor who'd been given good reason to feel confident in the matter. And while I appreciate the concerns the representatives raised about the subsequent warnings, legal action, and shutdown, at the time those either hadn't happened yet or weren't publicly available yet. At the time, it seems that Mr K looked into the platform and found it was positively reviewed.

Wise were not acting as Mr K's investment advisors here, they were just processing his payments, so I don't think they needed to carry out a deep dive into the platform. I also don't see that Wise would've needed to be concerned about cryptocurrency risks, as Mr K's representatives suggested. These payments were not identifiably going towards crypto; and indeed, from what Mr K provided about the investment, it was in things like gold and forex rather than crypto.

Overall, it does not seem likely that reasonable intervention would've uncovered the scam or persuaded Mr K not to go ahead. It's most likely that Wise would've not found good reason to block the payments, and that Mr K would've proceeded, having been reassured by his friend, the investment manager, the provided data, and so on.

I've then considered what Wise did to try to recover the money after Mr K told them about the scam. Unfortunately, by the time it was reported, it had been quite some time since the payments, the money had already been forwarded from the financial services platform to the investment platform, and the investment platform had shut down. So it wasn't realistically possible for Wise to get the money back, and Wise have explained that they tried but were indeed unsuccessful. As these were international payments, they were not covered by the CRM Code for scams. And I'm afraid there was nothing more that Wise could've reasonably done to get the money back here.

So while I'm very sorry to hear about what the scammers did to Mr K, I don't think Wise can fairly be held responsible for his loss. And Wise have already partially refunded Mr K despite that. So I cannot fairly tell Wise to do anything more here.

My final decision

For the reasons I've explained, I don't 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 Mr K to accept or reject my decision before 1 December 2025.

Adam Charles
Ombudsman