

The complaint

Miss C complains that Wise Payments Limited won't refund money she lost when she was a victim of a job scam.

Miss C is represented by a firm I'll refer to as 'R'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Miss C has explained that she received a message from a person on an instant messaging application about a job opportunity. The job consisted of completing sets of tasks that involved rating films to boost their popularity and ranking, which, in turn, optimised apps to help wholesale suppliers. For this, Miss C would earn a commission – and she was able to withdraw £90 early on.

Miss C was later told she had to pay funds to clear a 'balance' so that she could continue working. As Miss C believed she would receive a *"great profit"*, she made the payments as directed. And when Miss C tried to make a withdrawal of funds, she was told by the scammer that she had to pay various taxes and other fees – which she also made.

As part of the scam, Miss C made the following payments from her Wise account:

Date	Transaction type	Amount
22 November 2023	Fund transfer	£5,000
7 December 2023	Fund transfer	£6,000
	Total	£11,000

The payments went to two third party accounts. Miss C also attempted a £7,500 payment on 13 December 2023, but this was cancelled by Wise (with the funds returned).

Miss C has said she realised she'd been scammed when she didn't receive her funds, and the requests for further payments continued to the point whereby she ran out of money.

R complained, on Miss C's behalf, to Wise on 25 March 2024. They said Wise didn't do enough to protect Miss C – as they ought to have identified the payments as unusual, carried out further checks before processing them and provided relevant scam warnings. If this had happened, Miss C's loss would've been avoided. To settle the complaint, R said Wise should refund Miss C in full, pay 8% interest and £300 compensation.

Wise didn't uphold the complaint. They said they don't have the ability to be involved in disputes with senders and recipients – so they recommend customers perform their own investigations on the beneficiary before sending a payment. Wise also explained that they asked Miss C about why she was making both payments and provided dedicated scam warnings based on her response(s). Miss C however didn't provide an accurate reason for the purpose of the payments and, as she wasn't truthful, this prevented them from showing a more tailored warning.

Miss C's complaint was referred to the Financial Ombudsman. Our Investigator didn't think Wise had to do anything further. He said Wise had asked Miss C the purpose of her payments and provided tailored warnings based on her responses (which would've seemed plausible to Wise). Miss C however decided to proceed despite the warnings. Our Investigator also explained that by not choosing the most accurate payment purpose option available, as Miss C could've selected '*pay to earn money by working online*', Wise were prevented from being able to uncover the scam.

R disagreed with our Investigator. In short, they said:

- The online warnings provided were ineffective, and it prevented Wise from being able to pick up on key verbal cues that would alert them to the dangers their customer is falling victim to.
- Miss C made a high value payment (£5,000) to a new payee on a newly opened account. This warranted a greater intervention than an online warning.
- Even if the £5,000 isn't to be considered unusual, the next two payments Miss C attempted were even higher value and required greater intervention.
- Miss C was being coached by the scammer into selecting the relevant payment purpose.
- Wise has a duty to protect their customers from fraudulent activity as per the FCA's Consumer Duty – which includes taking proactive steps to avoid causing harm to customers. So, Miss C's responses to Wise's questions should've warranted greater intervention.
- Wise's warnings weren't specific enough to break the spell of the scammer. A more proactive approach was required, including probing and open-ended questions which would have uncovered the scam.
- The closed-ended questions Wise asked weren't sufficient in establishing the true nature of Miss C's payments. And given Miss C selected '*something else*' and then '*personal use*', this was an opportunity for Wise to ask further questions.

The matter 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.

I'm sorry Miss C has been the victim of a scam, and I don't underestimate the impact this has had on her – as I understand it is a lot of money she has lost. I can therefore understand why Miss C is doing everything she can to recover it. But while I'm sympathetic to Miss C's situation, I must consider whether Wise is responsible for the loss she has suffered. I know this won't be the outcome Miss C is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Wise have acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Miss C that I've considered this case on its own merits and taken account of everything R has submitted on her behalf. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Wise is responsible for Miss C's loss.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Miss C knowingly made the payments from her account and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Wise are expected to process Miss C's payments, and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Wise did carry out additional checks before processing the £5,000 payment on 22 November 2023 and the subsequent £6,000 payment on 7 December 2023 – which I consider was reasonable in the circumstances given their value, and as they were being made to new payees on a newly opened account.

As part of these checks, Wise asked Miss C for the purpose of the £5,000 payment. Miss C selected 'Something else' and subsequently entered "*personal use*" when asked to type the reason for making it. Miss C selected 'Goods and Services' for the purpose of the £6,000 payment.

Wise then provided some educational stories (warnings) to Miss C. These warnings however weren't particularly relevant to Miss C's situation as they were tailored to the payment purpose information she provided – which wasn't an accurate reflection of why Miss C was making the payments. Because of this, the warnings provided wouldn't have resonated with Miss C as they didn't highlight the common features of a job scam. I cannot however reasonably hold Wise responsible for this as they relied upon Miss C providing accurate information. And if Miss C had selected 'Paying to earn money by working online' as the purpose of the payments, Wise would've been in a better position to provide an effective warning tailored to Miss C's situation.

Arguably, Wise could have asked further questions in response to Miss C entering "*personal use*" for the reason for making the £5,000. This is because this response didn't provide Wise with any further knowledge about why Miss C was making the payment, and so, consequently, they couldn't reasonably establish the risk of potential financial harm. Wise therefore could've taken further steps to better understand the surrounding circumstances of the payment. But even if Wise had done this, I am not persuaded it would have made a difference. Miss C provided, on both occasions, inaccurate payment purpose information. And this included, even when given the opportunity to type in a free text box, Miss C choosing to only disclose the payment being for "*personal use*". So, it seems Miss C wasn't forthcoming with providing material information to Wise that would've allowed them to better protect her from the risk of financial harm.

Further to this, I've also considered that Miss C brought a complaint to the Financial Ombudsman against another EMI – which I'll refer to as 'E' – that was involved as part of this scam. Miss C made payments from E prior to those made from her Wise account. And E undertook additional checks before processing some of these payments – which included automated questioning and referring Miss C to a chat function to discuss them further.

During all of this, Miss C provided E with misleading and inaccurate information – as, for example, she explained she was sending funds to a family member that worked at a company she was purchasing from. So, despite having a conversation with E and an opportunity to disclose why she was making the payments, Miss C didn't act openly or honestly. I appreciate Miss C has said she was being coached by the scammer as to how to respond to questioning about the payments. But consequently, this meant E was unaware of the true circumstances of the payments.

It follows that, even if Wise had asked further probing and open questions about the payments Miss C made, as R has argued they should have, I'm not persuaded this would've made a difference. I'm satisfied that, on balance, Miss C would've acted similarly to her interactions with E and continued to have withheld the true reason behind why she was making the payments. Because of this, I'm not persuaded Wise could reasonably have uncovered the scam or prevented Miss C's loss.

On a final note, I've considered whether, on being alerted to the scam, Wise could reasonably have done anything more to recover Miss C's losses, but I don't think they could. At the time Wise became aware of the scam, there weren't any funds remaining in the beneficiary accounts to be recovered.

I appreciate Miss C will be disappointed by this outcome. But it would only be fair for me to direct Wise to refund her loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 17 September 2025.

Daniel O'Dell
Ombudsman