

The complaint

Mrs J is complaining that Wise Payments Limited won't refund some of the payments she made to a scam.

The complaint is brought on Mrs J's behalf by a representative.

What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the Investigator. The facts about what happened aren't in dispute, so I'll only set them out briefly here.

In short, Mrs J fell victim to a safe account scam in July 2024. She received a call from someone who said they worked for a bank she had an account with, "Bank S". The caller explained her account was at risk and that she would also receive a call from Wise.

Shortly after this Mrs J received a call from someone (the scammer) claiming to work for Wise. He also advised Mrs J that her account was at risk, and she needed to move her money to keep it safe. So, she moved funds from her account with Wise using a money transfer service and paid using her card. She also sent three payments by faster payment to individuals. Mrs J was expecting a call from the scammer the next day but when he didn't call back, she realised she had been scammed. Mrs J lost £45,015.92 to the scammers.

Mrs J complained to Wise. It thought it could have done more to protect her from the scam. It also thought she hadn't authorised the payments to the scammers, so it agreed a full refund of all the card payments she made. This was a total of £29,915.92. Mrs J later advised Wise that it hadn't refunded the faster payments she had sent which totalled £15,100.

When Wise reviewed the complaint again it confirmed that all payments had been authorised by Mrs J and although it agreed that it could have done more to protect her from the scam from the first payment, it thought that she should also take some responsibility for her loss. Wise thought Mrs J should be held liable for 50% of her losses. It didn't think it needed to refund anything further as it had already provided Mrs J with a refund of more than 50%.

Our Investigator looked into the complaint and agreed that the outcome reached by Wise was fair in the circumstances. Mrs J remained unhappy, so the complaint has been passed to me for a decision.

I issued my provisional decision on 9 July 2025. This is what I said.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in July 2024 that Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;*
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;*
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.*

It isn't in dispute that Mrs J has fallen victim to a cruel scam here. Having thought about the steps Mrs J completed when sending the payments it's clear she was aware that the funds were leaving her account and that she was authorising the transactions.

Here, Wise has already accepted that it could have done more to protect Mrs J from the scam from the first payment she made and that it should have intervened at that point. It also accepts that it should have included both the card payments and faster payments Mrs J made when investigating the scam. As such, I don't consider it necessary to discuss this further. Instead, my decision will focus mostly on whether Mrs J should share any liability for the preventable loss under the principle of contributory negligence, because her actions fell short of the standard of care that would be expected of a reasonable person in these circumstances. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Overall, I don't find that Mrs J acted unreasonably. I believe the scam was sophisticated, persuasive and with the addition of fear and panic that her money was at risk. So, I understand why Mrs J behaved in the way she did.

While I accept she ought not to have shared the SMS codes Wise sent her to authorise the payments, it's clear she was under a significant amount of pressure to act quickly. She was told she needed to move the money quickly to avoid losing it. She was also reassured the scammer was genuine because he knew she had an account with Wise and knew several details about her account, which was information she hadn't shared with him. He had also called her following what she thought was a genuine call from Bank S, which added legitimacy to the call and the version of events the scammer gave Mrs J. She explained that the scammer sounded extremely professional, so she didn't doubt that she wasn't talking to a genuine Wise employee.

And although she was moving the funds using a money transfer service, she thought this was to her account. As explained above, she was being prompted to act quickly and so it's a reasonable explanation for why she didn't notice the discrepancy. It's not clear from what Wise have said so far whether a confirmation of payee was carried out for the payments that were transfers to individuals, which would have indicated that the destination account wasn't in Mrs J's name. But even if it was, while this could have been a red flag Mrs J may have picked up on, under the high pressure of the situation I wouldn't necessarily conclude it was negligent for her not to notice this.

Mrs J was 81 years old when she fell for this scam and I think this is a relevant factor here. Her age profile is one that is disproportionately targeted by scammers. This has been recognised by the industry for some time. In the circumstances it's clear that this contributed to Mrs J trusting what she was being told by the scammers at the time. And alongside the factors I have described above I don't believe her actions were unreasonable.

Overall, while I accept this is a relatively finely balanced point, I've provisionally decided that Mrs J was a layperson, vulnerable to financial exploitation, who was taken in by sophisticated fraudsters. In such a pressurised situation I don't think it's unreasonable that Mrs J didn't realise she was the victim of fraud. So, under our fair and reasonable remit there should be no deduction from the amount reimbursed to her.

My provisional decision

For the reasons explained, I'm intending to uphold this complaint and to direct Wise Payments Limited to pay Mrs J:

- £15,100 (which represents the three faster payments Wise haven't refunded)
- interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Wise deducts tax from this interest, it should provide Mrs J with the appropriate tax deduction certificate).

Responses to my provisional decision

Mrs J accepted my provisional decision. Wise didn't agree. In summary it said that it shouldn't be held liable for the first transaction out of Mrs J's account. This was a payment of £3,901.99 and it didn't think it was unusual. It thought it should be held liable from the second transaction out of her account. However, it did agree that Mrs J was vulnerable and that a deduction for contributory negligence did not apply to her circumstances.

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 reviewed Wise's response to my provisional decision carefully, but the points it has made don't persuade me to reach a different conclusion.

Mrs J has advised she was using the Wise account to earn interest and that she wasn't using it for day-to-day activities. The first payment was for £3,901.99, significantly higher than any recent transactions on her account and was also being sent using an international money transfer service. Given Mrs J's limited account transactions in the months preceding the scam, this activity should have appeared as unusual and out of character compared to her previous account usage. So, Wise should have recognised a potential scam risk from the first payment and provided a warning highlighting the risks associated with such payments. In the circumstances a tailored warning ought to have prevented the loss from this payment.

This means that for the reasons explained, I see no reason to depart from my provisional findings, as set out above.

My final decision

For the reasons explained, I'm intending to uphold this complaint and to direct Wise Payments Limited to pay Mrs J:

- £15,100 (which represents the three faster payments Wise haven't refunded)
- interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Wise deducts tax from this interest, it should provide Mrs J with the appropriate tax deduction certificate).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 8 September 2025.

Aleya Khanom
Ombudsman