

The complaint

Mr A complains that Wise Payments Limited failed to protect him from financial loss when he fell victim to an investment scam.

In bringing this complaint Mr A is supported by a professional representative I'll refer to as 'R'.

What happened

The background to this complaint is familiar to both parties, so I'll only refer to some key events here.

Mr A has explained he fell victim to an investment scam in April 2024. Mr A explained that an individual he had known for some time (who I'll refer to as 'Mr S') encouraged him to invest with a company (which I'll refer to as 'C') that traded in gold and oil futures contracts. Mr A was promised his capital would be guaranteed and he would make very high returns – five to ten times his initial investment. In total Mr A invested £70,000, over two payments made from his Wise account. He realised he'd been scammed when he was unable to withdraw his profits and Mr S stopped communicating with him.

Mr A complained to Wise, in March 2025, that it had failed to intervene in his payments and warn him of the scam risk. He asked that it reimburse his losses, plus interest. Wise accepted that it could have done more to prevent Mr A's loss, but it also considered Mr A could have done more to protect himself – for example researching the investment more thoroughly. It therefore offered to refund 50% of Mr A's loss, on a shared liability basis.

Mr A, with support from R, disagreed and referred his complaint to the Financial Ombudsman. He disagreed he had contributed to his own loss. He noted that he had taken reasonable steps to check what he was being told was accurate and legitimate, but ultimately his loss could only have been prevented if Wise had warned him appropriately. Our Investigator didn't uphold the complaint as he felt that Wise's offer to refund 50% of Mr A's loss, plus interest, was fair in the circumstances. He explained why he was not persuaded that proportionate intervention from Wise would reasonably have prevented the scam, and even if it could, he agreed with Wise that Mr A had not taken sufficient care before investing and should therefore be held jointly responsible for his loss.

R disagreed. It maintained that reasonable and proportionate intervention from Wise would more likely than not have uncovered the scam and prevented Mr A's loss. It also disagreed that Mr A ought to have taken further steps than he had to reassure himself that the investment opportunity was legitimate. It also argued that it was illogical to conclude that Wise would not have been able to uncover the scam through a proportionate intervention, but that Mr A should have realised it was a scam.

As there has been no agreement on this case it has been passed to me for 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.

Having done so I have reached the same outcome as our Investigator. I appreciate this will come as a disappointment to Mr A. I am sorry to hear he has suffered a significant financial loss in the manner he has, and I don't underestimate the impact of this on him and his family. I can understand why in the circumstances he would want to recover all of his lost funds by whatever means possible. But I can only direct Wise to refund the remainder of Mr A's loss if I can fairly conclude it was responsible for that loss or should reasonably have prevented it.

In broad terms, the starting position in law is that an Electronic Money Institution ('EMI') – like Wise - is expected to process payments that its customer authorises it to make. Here, it isn't disputed that Mr A knowingly made the payments and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of the account, Wise are expected to process Mr A's payments, and he 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 has accepted partial responsibility for Mr A's loss. It accepts - and I agree - it should have intervened when Mr A instructed the first disputed payment (£50,000 to C) as it was out of character for Mr A's usual account usage and should have alerted Wise to potentially suspicious activity. It concluded that "*further interaction or questions about why [Mr A] was making the payments could have provided further information to help [him] reconsider*".

Wise has exercised its commercial judgement here – it has acknowledged its failing and chosen to make an offer as a result. While I am mindful of the offer Wise has made, and the reasons for it, for me to decide that it ought to refund Mr A's entire loss, would require more than a finding that it failed to intervene when it should have. Crucially, I'd also need to find that but for that failure, the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that a proportionate intervention by Wise wouldn't have revealed any of Mr A's payments were part of a fraud or scam, or wouldn't otherwise have given Mr A sufficient cause for concern such that he chose not to go ahead with the payment, then I couldn't fairly hold it liable for not having prevented his loss.

In considering this point I must think carefully about 1) what Wise could reasonably have established as part of a proportionate enquiry with Mr A, and 2) how Mr A would likely have responded to any scam risks that were highlighted to him at the time. I cannot apply the benefit of hindsight when deciding the case.

Having given the causation point very careful thought, and in the circumstances, I'm not sufficiently persuaded that a proportionate intervention by Wise would have most likely led to Mr A not going ahead with the payments. My opinion here is based on the following:

- Considering how Mr A was introduced to the investment opportunity, and particularly

the length of time he had been in contact with Mr S before making the payments, I don't think the payments presented a typical scam risk that I would've expected Wise to be vigilant against. While that does not mean Wise could not have protected against it, I'm mindful that many of the 'red flags' it would ordinarily have highlighted, would not have applied to these circumstances – for instance recent contact from an unknown third party via social media.

- It's evident that Mr A had been in regular contact with Mr S for several years – evidence supports that contact had been ongoing since at least August 2020, more than three and a half years before the disputed payments. There's also evidence that Mr A and Mr S had met in person on several occasions and had also conducted other business together. This isn't typically how investment scams would begin, and as such I think both Wise and Mr A would have taken some reassurance from the fact that Mr A had known Mr S for a number of years before deciding to invest.
- Had Wise have intervened, it's role would've been to provide fraud and scams advice and warnings – it didn't have an obligation to protect Mr A from potentially risky, or high-risk investments or to provide financial/investment advice. And I can't see that there was any adverse information concerning Mr S or C at the time Mr A made the payments that would've made him (or Wise) think he was being scammed.
- Mr A has explained that prior to investing he had already carried out his own research into the opportunity - having carried out Google searches and read articles. He has also commented on the fact that he found Mr S to be highly knowledgeable and professional. And as already noted, it's evident this investment opportunity, along with other business and investment opportunities had been discussed for several years, and so Mr A was not being rushed into a decision and had plenty of time to carry out his own due diligence and/or seek independent financial advice.
- While R has suggested that Mr A was an inexperienced investor, this is not supported by the evidence presented which shows that Mr A had an interest in the financial markets, and he and Mr S regularly shared information about them including how world events were impacting those markets. And so had Wise asked Mr A about his planned investment, I think it's most likely he would have been able to answer these questions clearly and confidently, and would have allayed any fears that he was an inexperienced investor that was being taken advantage of.
- While R has suggested that Mr A would have been concerned when he discovered neither Mr S or C were regulated by the FCA, there's nothing within the chat to suggest that he thought it was, or that this was important to him. Similarly, I have seen nothing to suggest Mr S had claimed to be a regulated financial adviser.
- Mr A had signed a contract with C, that he believed to be genuine, and which provided him with further reassurance of what had been agreed.

All this suggests to me that it's more likely than not, on balance, that Mr A would've proceeded with his payments – even if Wise had alerted him to the possible risks involved and the checks he should make. And if Wise had raised any concerns, then I think it's more likely than not that those concerns would've been allayed by Mr S, as Mr A often sought guidance from him and valued his opinion.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that any proportionate intervention from Wise would've likely prevented Mr A's loss.

In these circumstances, I think Wise's offer to refund 50% of Mr A's loss is more than I would

have expected it to do, and is therefore fair.

I'm very sorry that Mr A has lost a considerable sum of money in the circumstances he has, and I'm sorry to learn of the impact this has had on him and his family. But, for the reasons given above, I don't think it would be fair to ask Wise to take any further action.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 March 2026.

Lisa De Noronha
Ombudsman