

The complaint

Mr M complains that Wise Payments Ltd has declined to reimburse payments made in relation to an investment scam.

What happened

As the parties are familiar with the facts of this case, I'll summarise them briefly.

In January 2023, Mr M saw an advert on social media showing a well-known celebrity endorsing an investment opportunity. Mr M was then in contact with scammers who initially asked him to invest and later required payments to access his 'profits'. As part of the scam Mr M set up new accounts, including with Wise, and provided remote access to his device. Mr M is disputing seven card payments from his Wise account to a cryptocurrency platform in February 2023 totalling £4,600.

Wise returned the balance of the account which was £430 to Mr M and paid him £388 compensation for how it had handled matters. But it said it couldn't recover any more of his funds that were sent to the cryptocurrency platform.

When Mr M referred the complaint to our service, the investigator didn't uphold it. In summary they thought it was fair for Wise to consider the payments authorised and that while they thought Wise ought to have intervened and provided Mr M with a warning, they weren't persuaded this would have prevented Mr M's loss based on how interventions by other businesses in relation to the same scam had unfolded. They also didn't think Wise could have recovered Mr M's loss in the circumstances.

Mr M didn't agree, in summary he explained that he misled other businesses because of the actions of the scammer and that he needed the money back.

So, the matter has been passed to me for a decision by an ombudsman.

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'm not upholding this complaint for similar reasons to the investigator.

Has Wise acted fairly in treating the disputed payments as authorised?

The relevant law here is the Payment Services Regulations 2017 (PSRs) – these set out the circumstances in which a payer (here Mr M) and a payment service provider (here Wise) are liable for payments. As a starting point, Mr M is liable for payments that he authorised and Wise should reimburse unauthorised payments.

Mr M has told us that he was directed by the scammer to move money, and doesn't appear to be disputing crediting his Wise account. But he's also said that the scammer had remote access, and they were in control, indicating he didn't make the payments from his Wise

account. But it doesn't appear to be in dispute that Mr M was aware at the time of the scammer making payments on his behalf. Each payment here was also subject to stronger authentication, which here means that Mr M was sent a secure code that was used to make the payments. So on balance, I think it is fair for Wise to have treated these payments as authorised, either by Mr M or on his behalf.

Did Wise miss an opportunity to prevent Mr M's loss?

In broad terms, the starting position at law is that 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 PSRs and the terms and conditions of the customer's account.

But, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Given the number of payments, value, and the fact that the recipient was identifiably a cryptocurrency provider, I think Wise ought to have identified Mr M was at a heightened risk of financial harm from fraud.

However, for me to conclude that it would be fair for Wise to reimburse Mr M for some or all of his loss on this basis, I would need to think that a proportionate intervention by Wise would likely have prevented this loss. Based on the information available, I don't think it would be reasonable to reach that conclusion, I'll explain why.

As part of this scam, Mr M made or agreed to payments from several other accounts in his name. In February 2023, Mr M spoke with one of his banking providers about a payment he was making to Wise as part of this scam. During this call Mr M was asked about the purpose of the payment, and he explained it related to a family cruise to celebrate an upcoming birthday. His bank explained the hallmarks of an investment scam where customers were encouraged to set up accounts with Wise to invest in cryptocurrency. Mr M confirmed he wasn't "into that" and he'd opened the account with Wise himself. He was asked if anyone had told him to give them a story and Mr M responded that he wasn't dealing with anyone like that.

In May 2023 Mr M engaged with another EMI that he had set up an account with in relation to payments to a cryptocurrency platform. He was asked a series of questions to which Mr M provided misleading and inaccurate answers. For example, when asked if he was investing after learning about an investment opportunity advertised on social media he answered no. He also answered no when asked if he had been told to create the account for investment purposes.

Mr M has shared that he was coached by the scammer about what to say and that he felt under their control. While I appreciate he was manipulated, and I'm not passing judgement on his character, it is a fact that he misled other providers about payments being made as part of the scam to the extent that he prevented them from identifying the true purpose of his payments and the scam he had fallen victim to. He also ignored relevant warnings.

I have no reason to think that Mr M would have acted differently had Wise contacted him about any of the disputed payments. On balance, it's more likely that under the coaching of the scammer, Mr M would also have misled Wise and not heeded relevant warnings had it intervened.

Could Wise have done anything else to recover Mr M's money?

The payments were made by card and so the recovery option that would have been available to Wise would have been through the chargeback scheme. This is a scheme run by the card scheme provider to resolve payment disputes between customers and merchants – subject to the rules they set. As the scheme is voluntary and limited in scope, Wise wouldn't be expected to raise a claim that it thought had no prospect of success.

As the payments were card payments to a cryptocurrency platform. I'm not persuaded there would have been any reasonable prospect for a chargeback claim succeeding. The payments would be considered authorised, and the merchant would likely be able to demonstrate that it had provided the agreed service. It has already paid Mr M the funds that were available in the account.

Other considerations

Wise paid Mr M £388 compensation for customer service issues including delays – I haven't seen anything to support that it would be appropriate to make an additional award in the circumstances. I am very sorry to hear of the impact Mr M has described this having on his family and his own mental health, but this is a result of the scam and his financial loss rather than any failings by Wise.

My final decision

For the reasons explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 October 2025.

Stephanie Mitchell
Ombudsman