

The complaint

Mr K is unhappy Wise Payments Limited ('Wise') won't reimburse him the money he lost when he fell victim to what he believes was an authorised push payment ('APP') scam.

What happened

The details and facts of this complaint are well-known to both parties, so I don't need to repeat them at length here.

In summary, Mr K made five payments totalling £5,492.78 across 9 and 11 June 2025 to a gambling site that I'll call 'M'. M wasn't licenced or regulated by the Gambling Commission in the UK. Mr K says, while he was able to sign up and deposit money with M, he subsequently wasn't able to withdraw his winnings. Mr K says this was because he was based in the UK and M's terms and conditions didn't allow UK users to register with it – which he was unaware of at the time. Mr K considers he was deceived by M, as he was allowed to sign up using his UK address – which M would have been aware of, and make payments to it. Mr K considers M allowed this as it never had any intention to return any winnings.

Believing he had been scammed by M, Mr K reported the matter to Wise who declined reimbursing him. Unhappy with Wise's response, Mr K referred the matter to our service. Our Investigator looked into the complaint and didn't recommend it be upheld. They were of the opinion Wise wasn't liable to reimburse Mr K as they considered that what had happened didn't amount to an APP scam.

Mr K disagreed. As the matter hasn't been resolved, it'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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry to hear of what happened to Mr K and I understand his strength of feeling about M and why he is seeking to obtain a refund of the money he paid. But having reviewed the circumstances and what's happened here, I'm not upholding Mr K's complaint. I know this will come as a disappointment to him, so I'll explain my reasons why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

The relevant rules and regulations

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. This is set out within the 'Payment Service Regulations 2017' ('PSRs') and these are the relevant regulations in place here.

Mr K, in his submissions to Wise, advised that the disputed transactions were carried out without his informed consent.

Under 'Section 67' of the PSRs it states:

"67.— (1) A payment transaction is to be regarded as having been authorised by the payer for the purposes of this Part only if the payer has given its consent to—

(a) the execution of the payment transaction; or

(b) the execution of a series of payment transactions of which that payment transaction forms part.

(2) Such consent—

(a) may be given before or, if agreed between the payer and its payment service provider, after the execution of the payment transaction;

(b) must be given in the form, and in accordance with the procedure, agreed between the payer and its payment service provider; and

(c) may be given via the payee or a payment initiation service provider."

The question I have to ask myself here is whether the disputed transactions were authorised as set out by the PSRs. So, whether Mr K consented to the execution of the payment transactions. Consent, in this context, is explained within the PSRs as being given in the form and in accordance with procedure agreed between the payer (Mr K) and the payment service provider (Wise).

It is important to point out that consenting to the execution of a payment transaction is an objective test and it doesn't depend on what Mr K knew at the time he completed the procedure for giving consent.

Here, Mr K was aware of and wanted to deposit his funds onto M's site. And this was seemingly done, or initiated, by M utilising a third-party payment processor. So, as a result, I'm satisfied Mr K consented to the authorisation of the payments in dispute. And under the PSRs he is therefore responsible for them in the first instance.

I appreciate what Mr K has said about M's actions, how it operates and there being other reviews from customers who experienced similar issues. So, I can understand his frustrations and can see why he is seeking to recover his money.

But in order for Mr K to be reimbursed from Wise – under the Reimbursement Rules, I need to be satisfied that they apply in the first instance.

The Reimbursement Rules (which came into force on 7 October 2024) definition of an APP scam state:

“...Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer’s Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended.”*

So, of relevance here, is whether what happened to Mr K can be considered an APP scam. He would need to meet the Reimbursement Rules’ definition of an APP scam in order to potentially be reimbursed under those rules – alongside some other criteria that are required for payment(s) to be covered.

Having considered this, I don’t find that what has happened to Mr K meets the definition of an APP scam as set out in the Reimbursement Rules.

Mr K believed he was making payments for a legitimate purpose – in that he was seeking to gamble his funds legitimately.

I accept M might not have had the best practices in play. M wasn’t licenced or regulated by the Gambling Commission. The Gambling Commission also advised Mr K:

“I can also confirm that it is illegal for gambling businesses to transact with, or advertise to, consumers in Great Britain without a licence. However, whilst it is illegal for sites that do not hold a licence with us to facilitate gambling/market players in Great Britain [sic], I must advise that any consumer that actively seeks out these sites and deposits with them is doing so at their own risk. There is no law preventing consumers from actively seeking out these sites and we cannot monitor consumers internet activity. It is only a criminal offence under section 33 of the Gambling Act 2005 for businesses to offer gambling to GB consumers without an appropriate licence.”

Mr K has advised that he was able to sign up to M – seemingly through a UK IP address and not through a Virtual Private Network (‘VPN’) which can mask an internet’s geo-location. I appreciate that in signing up to M, Mr K entered his UK registered address details. So, I can certainly understand Mr K’s frustration that he was allowed to access M’s site from the UK and M ought to have also been aware that he was residing in the UK – when within M’s ‘Terms and Conditions’ (‘T&Cs’) it states:

“...You are not allowed to register on the Website and use our services if you are a resident of, or accessing the Website from, USA, Netherlands, France, United Kingdom...”

So, M could certainly have better measures in place to prevent people from signing up from the countries where it isn’t licensed or regulated to operate from. Whether through restricting access based on the internet location or identifying that a customer is using/entering an address based on a location where it isn’t licensed to operate.

But those failings, doesn’t automatically mean that what happened to Mr K amounts to an APP scam as defined in the Reimbursement Rules.

M, while having seemingly poor practices and measures in place, does appear to be registered overseas – having an appropriate licence which allows it to operate in certain countries. And I have to bear in mind that it does advise within its T&Cs that UK users (among others) aren't allowed to register with it. So, while not overtly highlighted – it is none the less highlighted.

Mr K deposited money with M and seemingly gambled those funds and won. And then when it came to seeking a withdrawal, the issues – presumably around Mr K being based in the UK – arose.

But importantly, M is a legitimate online gambling site. I can't say it is operating fraudulently, when it is licenced to provide online gambling in certain countries and advises within its T&Cs that users from certain countries aren't allowed to register with it. I'm mindful that customers based in regions that aren't allowed to register with M, may seek to mask their location by using a VPN – hence its T&Cs. But I also accept that when M asked for customers addresses – as part of registering, more could have been done to prevent those customers from countries not allowed to use its site from continuing to sign up. But that speaks to M's business practices and it's not enough for me to say that it obtained Mr K's funds for a fraudulent purpose.

Here, Mr K's purpose for making the payment was to deposit funds in order to then gamble, and I haven't seen anything to suggest that this didn't happen. So, the purpose Mr K made the payments, and the purpose M received the payments align. This means it isn't something that Mr K can be reimbursed for under the Reimbursement Rules, as the definition of an APP scam hasn't been met. And I can't say that M obtained it for a fraudulent purpose when it appears funds were deposited, available for and were seemingly used for the purpose of online gambling – and when I also take into consideration M's T&Cs highlight that UK users aren't allowed to register with it.

So, any complaint that Mr K has that he was incorrectly allowed to sign up and deposit funds with M, or over not being able to withdrawal any proceeds from M, or that M should refund him what he deposited (as he shouldn't have been allowed to sign up) is something that needs to be resolved between Mr K and M. But I can't fairly say that the definition of an APP scam has been met under the Reimbursement Rules, so I don't consider Wise are liable to reimburse Mr K here.

I also haven't seen anything else that would lead me to think that Wise could have prevented Mr K's loss, given the nature of the payments and that Mr K made regular payments to betting companies. Mr K made three payments on one day, and two on another day. Given the amounts and Mr K's previous account activity I'm not persuaded that Wise necessarily needed to intervene and carry out any additional checks on the payments. But had they done (which for the avoidance of doubt I don't think is the case here) I don't think it would have grounds to suspect anything was amiss or that Mr K was at potential risk from financial harm from fraud. Nor have I seen that there were any other restrictions added to Mr K's account/profile that Wise failed to take into account.

As Wise didn't consider an APP scam had taken place, it wasn't required to attempt to recover the funds Mr K had sent. It is something that now needs to be resolved between Mr K and M through alternative methods. Mr K may wish to contact the relevant provider of M's gaming licence also.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 April 2026.

Matthew Horner
Ombudsman