

## The complaint

Mr T is complaining that Wise Payments Limited hasn't refunded a payment he was tricked into making as part of a scam.

## What happened

Mr T had made a booking with a travel agency. He's told us the booking was cancelled, and he called what he believed to be the travel agency to ask for a refund.

During the call he was asked to provide details of his debit card with Wise for the refund to be processed. He's told us he completed an approval process in Wise's app, thinking it was to authorise the refund. But instead of receiving a refund, a foreign currency payment of a value equivalent to £600.74 (plus a fee of £4.77) was debited from Mr T's account. The payment was made to a travel agency, but not the one Mr T thought he was dealing with.

Mr T quickly realised he'd been scammed, and he contacted Wise to report what had happened. Wise responded to say the payment was pending and it couldn't stop it. It considered raising a chargeback claim but didn't go on to do so, because it concluded Mr T had authorised the payment. It's told us it did contact the travel agency directly about Mr T's payment but didn't receive a reply. So, it told Mr T it was unable to recover the payment and it didn't agree to refund it.

Mr T complained to Wise and it replied to say it wasn't upholding his complaint. Mr T brought his complaint to the Financial Ombudsman Service.

Our Investigator looked into what had happened but she didn't think Mr T's complaint should be upheld. She thought, in summary, that Mr T had authorised the payment, and it didn't look unusual or suspicious such that she'd have expected Wise to have identified Mr T was falling victim to scam and intervened. She didn't think Wise had been unreasonable in not raising a chargeback claim, because she didn't think it would have been successful.

Mr T didn't agree, so his complaint has been passed to me for review and a 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'm not upholding Mr T's complaint – for much the same reasons as the Investigator.

### Did Mr T authorise the payment?

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised payments.

The PSRs specify that authorisation depends on whether the payment transaction was authenticated correctly – and whether Mr T, or someone acting on his behalf, consented to it. Consent must be in the form and in accordance with the procedure agreed between the consumer and the payment service provider. In other words, consent is provided when the consumer completes the agreed steps for making a transaction or allows someone else to complete some or all of them.

To establish the agreed form and procedure, I've reviewed the terms and conditions of Mr T's account with Wise. These say:

*You agree that any use by you of your card, card number or PIN constitutes your authorisation and consent to the transaction.*

These don't set out in detail how Mr T consents to making online payments using his card. So, I've thought about what practical steps are needed to make payments using a card. It seems Mr T (or someone with his permission) needed to provide his card details to the merchant (in this case, the travel agency) and if prompted, provide the CVV and complete a stronger authentication process.

It appears Mr T was tricked into sharing his card details and then the scammer entered his card details into the merchant's website to make the payment – so here it seems it was the scammer who gave the payment instruction using Mr T's card details. Mr T didn't agree to this payment instruction, but Wise says the payment was authorised because Mr T confirmed the payment in its app.

Wise has sent us some screenshots to show that the process flow here has steps which involve being shown a notification which says a payment needs approval, which then opens a screen in the app asking for the online purchase to be authorised. The payment amount and who it's being made to is shown on the screen with an option to approve or decline the payment. So, I think it would have been clear that Mr T was approving a payment rather than a refund to his account when he pressed approve.

Overall, I'm satisfied that the payment was correctly authenticated using Mr T's card information and the stronger authentication process. I think that by completing these steps, Mr T represented to Wise that the payment instruction was genuine. I understand that Mr T was tricked into making the payment, but that's not a consideration under the PSRs in whether the payment was authorised. So, it's reasonable for Wise to treat the payment as having been authorised and as such it isn't obliged to provide a refund.

#### *Should Wise have recognised the scam and intervened?*

I've concluded the payment was authorised, so I've gone on to consider if Wise should have done anything to prevent the payment Mr T made to the scam.

When a payment is authorised, Wise has a duty to act on the payment instruction. But in some circumstances, it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Wise processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected Wise to have intervened here. The payment was higher in value than payments Mr T routinely made from this account but he had made a payment of £500 a few months before so it wouldn't have appeared particularly unusual. And it wasn't of a value where I think Wise ought to have been concerned that Mr T was at a heightened risk of financial harm through a scam.

So, I don't think Wise ought reasonably to have done anything here to prevent Mr T from making the payment.

*Could Wise have done more to recover the payment?*

The payment was made by debit card, and as such once it had been authorised it wasn't possible for Wise to cancel it, even in a pending state.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Wise didn't raise a chargeback claim when Mr T disputed the payment but I'm satisfied that there would have been little prospect of a chargeback being successful here under the rules.

Mr T authorised the transaction so a chargeback couldn't have been attempted on the grounds that it was unauthorised.

I can understand why Mr T thinks Wise ought to have raised a chargeback claim under the chargeback reason of goods or services not being received. From his point of view, he's paid a genuine company for something that he hasn't received himself. And I don't think it would have been unreasonable for Wise to have submitted a chargeback claim for this reason in all the circumstances here. But it didn't – so I must decide, on the balance or probabilities, if it was likely to have been successful if it had done so.

From what we know about how this type of scam operates, it's very likely that Mr T's payment was used to pay for travel which was provided by the travel agency - but to someone other than Mr T. So, I think it's most likely the travel agency did provide the service that Mr T's payment to it paid for. And on this basis, I think even if Wise had raised a chargeback claim on these grounds, it was highly unlikely to have been successful.

I'm really sorry to disappoint Mr T as I can see that he feels strongly about what's happened here. As the victim of a cruel scam, I can understand why he'd think he should get his money back. But I've not found that there are any grounds for me to direct Wise to refund the disputed payment to him.

**My final decision**

My final decision is that I'm not upholding Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 January 2026.

Helen Sutcliffe  
**Ombudsman**