

## The complaint

Mr A complains that Wise Payments Limited (Wise) is refusing to refund him the amount he lost as the result of a scam.

Mr A is being represented by a third party. To keep things simple, I will refer to Mr A throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr A initially told us that he was introduced to an investment by a friend but has since said that he found an advertisement for an investment opportunity online, that appeared to be endorsed by a well-known celebrity, with a company I will call "X".

Mr A opened an account with Wise for the purpose of the scam and used X's investment platform. Mr A initially made small payments from which he could see he was making a return.

X then contacted Mr A and pressured him to invest more. Mr A was convinced to take out a loan to fund the investment on the promise it would be returned including a profit within 14 days.

Mr A contacted X when the 14 days were up to withdraw his funds and was told by X that it had sent him £46,000, but the funds had not arrived. X explained Mr A's account had been flagged and that Mr A would need to make further payments to unblock his funds.

Mr A made further payments and each time X requested more until eventually Mr A realised he had fallen victim to a scam.

Mr A has disputed the following payments made from his Wise account:

Payment	Date	Payee	Payment Method	Amount
1	7 September 2023	Individual 1	Transfer	£560
2	14 September 2023	Individual 1	Transfer	£3,900
3	15 September 2023	Individual 1	Transfer	£3,980
4	18 September 2023	Individual 1	Transfer	£6,620
5	27 September 2023	Individual 1	Transfer	£820

Wise offered Mr A 25% of his loss excluding payment 4 when it intervened.

Our Investigator considered Mr A's complaint and didn't think it should be upheld. Mr A disagreed, so this complaint has 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.

It has not been disputed that Mr A has fallen victim to a cruel scam. The evidence provided by both Mr A and Wise sets out what happened. What is in dispute is whether Wise should refund the money Mr A lost due to the scam.

### *Recovering the payments Mr A made*

Mr A made payments into the scam via transfer. When payments are made by transfer Wise has limited options available to it to seek recovery.

Wise has confirmed that it did attempt to recover the disputed payments when they were reported to it by Mr A but no funds remained in the payee's account. I don't think Wise had any reasonable options available to it to seek recovery of the payments Mr A has disputed.

### *Should Wise have reasonably prevented the payments Mr A made?*

It has been accepted that Mr A authorised the payments that were made from his account with Wise, albeit on X's instruction. So, the starting point here is that Mr A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Wise should have been aware of the scam and intervened when the payments were being made. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr A made in relation to the scam from his wise account went to another individual, so the type of account would not have been considered an increased risk. However, when Mr A attempted payment 4 he was making a payment for a significant value, and I think this should have caused Wise to have concerns, and it should have intervened.

I can see that Wise did intervene when this payment was made and Mr A was presented with several screens.

The first screen stated:

*"Protect yourself from scams – This could be a scam. Tell us what your transfer is for, and we can give you advice."*

Mr A then selected *"sending money to yourself"* from a dropdown menu despite the more accurate option or *"making an investment"* being available.

Mr A was then understandably presented with scam warnings relevant to the incorrect answer he had provided. However, Mr A was also asked if he was being pressured into making the payment which he answered *"No"* to. Mr A has previously told us he was pressured to make higher value payments.

Mr A had also recently opened his account with Wise with the account opening reason *"buying goods or services abroad"* despite opening the account for the purpose of the scam.

It's clear from the evidence I have highlighted above that Mr A gave incorrect answers when

questioned about the reason for opening his account with wise and when he was attempting payment 4.

Although even if I was to say Wise should have intervened further and provided further warnings to Mr A I think it's unlikely he would have taken notice of the warnings and he would have continued to make the payments anyway.

I say this because Mr A had fallen victim to a similar scam a short time before this one took place. The other scam had similar attributes including the use of a broker and professional platform, most trades returning a profit, and needing to make further payments to release funds.

As Mr A had previously fallen victim to another similar scam, I think this should have been fresh in his mind and more of a deterrent than any further warnings Wise could have provided him. Even with Mr A's previous experience he still gave incorrect information to Wise and continued to make the disputed payments.

I think it's unlikely that Mr A would have taken notice of any further warnings Wise could have provided, and he would have continued with the disputed payments. So Wise is not responsible for Mr A's loss.

I understand Wise has offered Mr A a partial refund of his loss. For the reasons I have explained above I am unable to ask Wise to offer anything further.

### **My final decision**

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 15 January 2026.

Terry Woodham  
**Ombudsman**