

The complaint

Mr G is unhappy that Wise Payments Limited ('Wise') has decided not to refund the money he lost, to what he believed was an Authorised Push Payment ('APP') scam.

What happened

The background to this complaint is well known to both parties. So, I won't repeat everything again in detail here, but in summary I understand it to be as follows.

In early January 2025, Mr G liaised with a company – which I'll call Company V, about some bespoke boxes for his business. Mr G ordered and paid £835 making a faster payment on 21 January 2025 from his Wise account. The invoice wasn't in the name of Company V, which Mr G queried and was advised that it was associated with Company V. Mr G received the boxes on 8 February 2025 but was unhappy and considered them unfit for purpose. Mr G raised his concerns with Company V and requested the boxes be collected and a refund provided. Company V initially engaged with Mr G on the matter advising that it would evaluate the samples and check the defects Mr G had listed. Company V enquired whether Mr G had raised a chargeback, with Mr G advising that it was a formal fraud dispute, and he had initiated legal procedures and if the matter was not resolved he would proceed with legal action. It appears that Company V stopped communicating with Mr G at this time.

Ultimately, Mr G didn't receive a refund and reported the matter to Wise who were also the banking provider for Company V. Mr G argued that the company which he paid (named on the invoice) was struck off the register of companies on 21 January 2025 and therefore it ceased to exist as a legal entity, with Mr G considering that the account shouldn't have been able to receive any funds. Mr G advised he therefore also had no legal avenue to recover his funds from Company V. Wise declined reimbursing Mr G and considered it was a civil matter between the parties.

Unhappy with Wise's response, Mr G referred his complaint to our service. One of our Investigators looked into the complaint and didn't recommend it should be upheld.

Mr G disagreed with the Investigator's opinion. So, as an agreement hasn't been reached, 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.

Mr G has provided detailed submissions setting out why he considers there were failings by Wise which have left him out of pocket as a result. 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 which is whether Wise acted fairly in its answering of Mr G's complaint. 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.

Having carefully considered everything, I can see no basis on which I can fairly require Wise to refund the money Mr G sent. I can appreciate that this outcome is not the one Mr G was hoping for. But having thought about Wise's actions, I am unable to say it has responsibility for refunding the money Mr G sent. I will explain why.

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

The starting position in law is that Mr G will generally be considered liable for authorised payments. It's accepted that he authorised the payment in dispute and so he is liable for it in the first instance.

However, a relevant consideration in this case is the Faster Payment Scheme – Reimbursement Rules ('Reimbursement Rules').

The Reimbursement Rules, which came into force on 7 October 2024 and apply to all UK-based PSPs, put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

And the Reimbursement Rules set out the requirements for a payment to be covered. They state:

"...It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);"

An APP scam is further defined as:

"...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."*

Private civil disputes are also not covered by the Reimbursement Rules. The term private civil dispute is defined in the Reimbursement Rules as:

"A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty."

Here, Mr G paid Company V. While the company name on the invoice was different – they are one and the same company. Company V was ordered to change its name in January 2024, and those records show on Companies House. So, that means Mr G paid whom he intended to pay and the only part of the definition of an APP scam that therefore could apply relates to the purpose of the payment.

That means I need to consider the purpose of the payment made. Here Company V specialises in making bespoke boxes, and I can see they liaised with Mr G about the order – such as type of box, dimensions, colour etc... Company V then fulfilled the order, with Mr G receiving the boxes. So, the reason Mr G made the payment and the purpose the recipient had in mind, match one another. And any dispute about the quality of the goods received, clearly aren't catered for within the Reimbursement Rules and is something that the two parties need to resolve themselves through alternative means.

I appreciate Mr G's concerns that Company V had legally ceased to exist at the time he made payment. Company V received a final notice of compulsory strike-off on 29 October 2024 which stated, unless cause was shown to the contrary, Company V would be struck-off the register and dissolved no less than two months from the date of notice (29 October 2024). Companies House records then show on 21 January 2025 Company V was dissolved via compulsory strike-off and that the strike-off date was 8 January 2025 and the dissolution date was 21 January 2025.

Mr G considers Company V's account shouldn't have been able to receive any funds. And that it also meant he didn't have recourse to pursue Company V through legal means either. So, I can understand his frustrations that Wise (who were also the banking provider to Company V) allowed payments to go to an account for company that didn't legally exist.

However, Wise wasn't to know that Company V ceased to exist. Wise has said it requires either its business customer to tell it that it has ceased to trade, or it is identified following an internal periodic account review of a business. I don't think that is wholly unfair and I don't consider it reasonable for Wise to monitor its business customers accounts alongside any daily updates on Companies House. I'll explain why.

When a business decides to close/cease to trade, it should take the necessary actions such as preparing its final accounts for tax purposes and inform the necessary parties such as its banking provider. While there was a notice for a compulsory strike-off for Company V – with Company V not taking the required action within the time limit required, a strike-off notice can be triggered for a number of reasons, such as not filing accounts when due. And companies can carry out the necessary actions required by Companies House to remain active and on the register following a notice of strike-off. Here, despite Company V's failings in taking the necessary steps required by Companies House in updating its records, it never had an intention to cease trading. Once Wise were informed of Company V's situation by Mr G, Wise took the necessary steps and contacted the director of Company V regarding its situation and the closure of the account – which I would expect it to do. And importantly here, as Company V didn't intend to close its business, it carried out an 'Administrative restoration application' which was successful. This shows on Companies House on 12 March 2025. So, Company V is active, and that means Mr G can seek to pursue his dispute in relation to the quality of the product he received with Company V, and through alternative means if necessary. While Mr G may encounter difficulties in doing so, that doesn't mean that Wise were at fault or that it needs to reimburse him for the goods he received that he is dissatisfied with.

In summary, I'm not persuaded that the payment Mr G made is an APP scam as per the relevant definition set out within the Reimbursement Rules, and his concerns over the quality of goods received is a private matter for resolution in the civil courts. That means I don't consider Wise acted unfairly in declining to reimburse Mr G for the payment he made, nor do I consider there were any other failings that would lead me to uphold this complaint.

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 G to accept or reject my decision before 30 December 2025.

Matthew Horner
Ombudsman