

The complaint

C has complained about Wise Payments Limited trading as Wise not refunding several payments made and lost to an authorised push payment (APP) impersonation scam.

What happened

As per my provisional decision, I will first highlight the eligible complainant in this case is the separate legal entity, C. The scam impacted both the personal account of the owner of C, as well as the business account of C. However, C and the owner of C are legally separate entities. I will refer to C throughout for ease, but I am aware the conversations with the scammer that took place were with the legal owner of C.

I issued my provisional decision to both parties on 4 September 2025. I have included a copy of its contents below.

The background to this complaint is well known to both parties, and are also not in dispute, so I won't repeat it in detail here. In summary, C fell victim to an impersonation scam after the owner of C received a telephone call from what she believed to be an agent of Wise informing her C's funds were at risk. The scammer then persuaded her to forward funds to them via card payments and transfers. It was only after the call disconnected and C spoke with Wise that it realised a scam had occurred.

Wise found that it should have intervened from the initial payment and refunded all the card payments made. Although, it thinks C should have also been held jointly liable for the losses. So, Wise argues by refunding all the card payments it has paid more compensation than it should needed to. It confirms it was able to recover and return £1,707.16 from the transfers made though. However, it did accept there were some service failings. So, it awarded £100 for its lack of proper communication and the delay in refunding the recovered amount. It also informed us that it wants to offer C 8% simple interest on the amount refunded.

Our Investigator reviewed the complaint and did not think Wise had to do anything further. She found that a deduction for 50% for contributory negligence was reasonable. Similarly, she found the same for the £100 and 8% simple interest offer.

C disagreed and requested a final decision. Briefly C said, among other things, that:

- Whilst speaking with the scammers she was checking Wise's website for their number but could not find it. She could only find a request for a callback.*
- Wise originally said she was to receive a full refund.*
- The first three transactions she attempted were flagged and put on hold, then cancelled. When these failed C thinks Wise should have intervened with a warning or a block.*
- She did not realise that a "tag" meant the money would be leaving the account.*

As our Investigator couldn't resolve the matter informally, the case has been passed to me for a decision. As part of my review I have considered the entire file of points from both parties.

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 focused 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'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.

What I've provisionally 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.

Wise has already accepted it should have intervened from the first payment – and that it should've done more to warn C that he might be the victim of a scam. So, my consideration is whether C should be held jointly liable for what occurred. If so, that would mean C has been compensated more than it should have been and ultimately it is immaterial that Wise did not return in full to C all of the payments to the scammer.

The starting point for contributory negligence is considering what a reasonable individual would be expected to have done in the circumstances such as this – and whether C's actions fell below that. Considering the full circumstances of what took place I think there were enough reasons for C to have had concerns about the legitimacy of what it was being told. It follows that I think C should've, in light of such concerns, been more cautious before proceeding to send funds in line with the scammer's instructions.

I have kept in mind that C did attempt to find the telephone number for Wise online, before proceeding to send funds. However, I would have expected more caution following an unexpected caller stating they were calling from Wise and asking for money to be sent out of an account. This is especially so when SMS messages that would have been sent by Wise say "Never share this code with anyone, even a Wise employee". An employee then asking for these codes should have been a red flag. Additionally, moving funds between accounts, even with an explanation being given, to then send them elsewhere does not seem a probable action for a financial institution to recommend. Ultimately, the scammer's story should have sounded especially dubious when some of the attempted transactions were not successful and workarounds had to be completed.

I have kept in mind that there were some sophisticated aspects to this scam, such as the scammer's using a Wise logo, knowing details about C and putting lot of urgency on C at the time. However, considering the above points, both individually and collectively, I think there were enough reasons for C to have had concerns about the legitimacy of this unexpected caller. I do not consider C being unfamiliar with Wise's technical terminology such as "tag", or being unable to find a telephone number is enough to say C is absolved from any responsibility for what occurred.

Therefore, as Wise has already refunded to C more than I would have awarded I cannot fairly say it has to repay the full losses incurred by the scammer.

I have a great deal of sympathy because of the losses that have occurred and I want to reassure C that I haven't taken this decision lightly. But as I've explained, I am persuaded there were sufficient red flags which were apparent at the time and so in these circumstances it is fair that both parties equally share responsibility.

Recovery and customer service

I've seen no evidence that Wise did unnecessarily delay the recovery attempt once they were informed of the scam. As in the case here, it isn't uncommon for scammers to move illicitly obtained funds as quickly as they can to make recovery as difficult as possible, if not impossible. So, while it is unfortunate that Wise was unable to recover more than £1,707.16 from the scammers I can't say that Wise acted unfairly here.

However, I agree Wise didn't communicate clearly with C. For example, it said it would refund all transactions when it only intended to refund those completed by debit card. C would have been unaware that two reviews were taking place - and the transfers were being considered separately by Wise. There was also a delay in C receiving the £1,707.16 that Wise was able to recover. This would have caused C additional inconvenience at a time that would already have been difficult. As such considering the impact this had I think the £100 offered is fair.

So, in light of all of the above findings, I am partially upholding this complaint – but only so much as to confirm the additional 8% simple interest Wise has offered is fair, as that is what I would have awarded had it not now done so.

Wise did not respond to my provisional decision. C did respond and disagreed with some of my findings. Although I will only briefly outline the response below, and may respond to the points collectively, I have considered all points prior to issuing this decision. C states:

- The call from Wise had the same logo as their genuine messages and was not completely unexpected. C's owner was in Asia for three months, using the card on her travels. Additionally, she received a call from an individual purporting to be from another financial institution saying unauthorised transactions had occurred. However, as she had not been using the card from that account and there had been no unauthorised transactions at that point she dismissed the call.
- Wise has a duty of care to anticipate their customers being targeted with credible stories whilst in a vulnerable state.
- Wise should make it clear when a transfer is about to be made, with as much information as possible, so a customer can identify fraud.
- The "tagging" system allowed her to transfer funds elsewhere without fully understanding what she was doing - or without the new beneficiary's identity first being confirmed before the funds left the account.
- Due to the time pressure by the scammer, the full contents of the authorisation message was not read at the time. As the warning was after the code she didn't read that part. Other financial institutions have the warning first. Had the warning been first she would not have shared the code.
- The failed transactions via the links that the scammers sent did not make it clear she was about to pay someone. She only saw the unsuccessful transactions afterwards.

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 do not doubt C's version of events and accept that the scammers would purposefully have made this situation as pressured as possible. They do so to ensure there is less time for account holders to think about what they are doing.

I agree with C that Wise, and wider financial institutions, should have systems in place to counter fraud occurring. A failing occurred here and that is why Wise has accepted some liability. But, that does not mean it has to accept liability for all payments – especially where

the losses, in part, occurred because of the actions of C. The legal principle of contributory negligence is one that is commonly applied in situations where it is reasonable for parties to jointly share liability for the loss. The key question is whether C's owner's actions fell below that of a reasonable individual.

Whilst I agree there were some sophisticated aspects to this scam, I remain of the decision that there were sufficient red flags that should have made C suspicious. Although I've noted C's points that the card had recently been used in Asia, that does not automatically mean a call for suspected fraudulent activity will occur.

Additionally, I also do not think it would be reasonable of me to hold Wise liable for C not having read the entirety of the message with the authorisation code. Although I appreciate the code was prior to the warning, I do not think this message was of such a length that the warning was embedded within a substantial amount of text. The warning came in the very next sentence. There is no requirement for the warning to be first.

Similarly, I cannot say C not being familiar with one of Wise's systems for completing transfers means it becomes liable for all the losses linked with them. Considering C believed this to genuinely be Wise, I also am not persuaded that had a further warning been given to C that it would have prevented the loss. It's most likely the scammer would have continued giving, what would have sounded like, reasonable explanations for what was occurring.

Therefore, although I am sorry to hear of the losses suffered, I am not persuaded Wise should be held liable for all the losses. It is fair that both parties remain jointly liable.

My final decision

I am upholding this complaint, but only so much as to confirm the additional 8% simple interest Wise Payments Limited trading as Wise has offered is fair.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 22 October 2025.

Lawrence Keath
Ombudsman