

The complaint

Ms K complains that Wise Payments Limited ('Wise') declined to refund her in full when she says she lost over £12,000 as a result of a scam.

What happened

I wrote to both parties, outlining my provisional thoughts on this case in November 2025. Below is an extract from that provisional decision.

"The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But, in summary, in May 2022 Ms K found a cryptocurrency investment opportunity online. She was encouraged to pay through a non high-street bank, as the investment company said that it would be easier as high street banks did not like customers investing in cryptocurrency. So, Ms K made a payment of £10,000 from her high street bank account to Wise, where she had held an account for some years. She said she was unable to purchase cryptocurrency that day, so she returned the funds to her high street bank account. She made another payment of £10,000 to her Wise account the following day, and sent it on to the 'broker' to invest on her behalf.

Ms K believed that her investment had increased in value to nearly £37,000. When she tried to release her funds from the investment, she was told she had to make additional payments to cover the commission for her trading account. She sent a further £2,964.35 from her high street bank to her Wise account and on to the 'broker' in June 2022 to try to secure the release of her funds.

Ms K decided to speak to the Financial Conduct Authority about the investment company, and it advised her that the investment company was not regulated with them. Ms K realised she had fallen victim to a scam, and so raised the matter with her high street bank and Wise.

Wise considered her complaint but declined to reimburse her losses in full. It said that the obligation of ensuring the legitimacy of the recipient lied with Ms K as the sender of the payment. It said it had not been able to recover funds from the receiving account due to the time that had passed. It did say that it did think that it could have done more to mitigate part of the loss and so accepted partial liability – offering to reimburse £4,279. It believed that the high street bank ought to bear some responsibility for the loss, as well as Ms K, as she had failed to do the necessary due diligence before sending these large payments.

Unhappy with the response of Wise and the other business, Ms K escalated her concerns to our service where one of our investigators looked into what had happened. They recommended that Wise, Ms K and Ms K's high street bank ought to equally share the liability. But as Wise had already provided a refund in excess of a third of the loss, it did not need to do anything further.

Ms K accepted our investigator's view on the complaint as did Wise, but her high street bank did not agree. It said that the funds were sent to Ms K's own account which had been used for legitimate transactions over the previous years, including some payments of significant sums such as a payment for £9,000. It also said that it did not agree that it should be held

liable for 'me-to-me' transactions – that is transfers from Ms K's own account to another of Ms K's own accounts.

Our investigator considered the complaint again, and reached the same overall conclusions, but said that the liability should be split differently. They said that Ms K ought to bear 50% of the liability for the loss due to contributory negligence – and so her high street bank only needed to refund the difference between what Wise had already refunded, and 50% of the losses. Ms K accepted this, but her bank's position remained the same. As no agreement could be reached, the cases were passed to me to decide.

What I've provisionally decided – and why

Having done so, I am minded to reach the same overall conclusion on this case as our investigator, for broadly the same reasons. However, I am minded to reach a different outcome on the linked complaint, and this impacts the redress that Wise would be liable for in this case. If nothing changes, my final decision is likely to be along the following lines. I'd like to start by saying that I was so sorry to read of the circumstances which brought Ms K to our service. It is clear from reading the evidence she has provided that this scam has had a profound impact on her.

In summary, the starting position at law is that an Electronic Money Institution (EMI) like Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the relevant regulations (in this case the Payment Services Regulations 2017) and the terms and conditions of the customer's account.

In this case, there is no dispute that Ms K authorised the payments, even though she was tricked into doing so by the scammers. So, the starting position is that Wise is not liable for the transactions.

However, when considering the relevant rules, codes and best practice standards, there are some circumstances in which we think that businesses shouldn't have simply followed their customer's payment instructions. There are certain situations in which we think that businesses should have looked at the wider circumstances surrounding the transactions before making the payments.

Wise also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm. Taking these things into account, I need to decide whether Wise acted fairly and reasonably in its dealings with Ms K.

Should Wise have recognised Ms K was at risk of fraud or financial harm, and if so, at which payment?

In its final response to Ms K, Wise have accepted that it ought to have done more to prevent Ms K's financial loss. So, I am taking it as accepted by both parties that Wise ought to have intervened at the first payment out of £10,000. For completeness, I do think it ought to have done so. It was an unusual and out of character payment going to a new payee, and given its size I think this indicated that Ms K was at risk of fraud or financial harm. There were no comparable payments in the 12 months leading up to this payment. The account was not frequently used in this time, either. And so, it follows that Wise ought to have intervened, and asked Ms K about the nature and purpose of this payment rather than taking her payment instruction at face value.

Could Wise have prevented Ms K's loss?

I also assume from Wise's response to this complaint that they also accept, as does Ms K, that further intervention could have prevented Ms K's losses. I think given the size of the payment, it would have been appropriate for a 'human' intervention (as opposed to, say, automated written warnings or questions). I have seen nothing to suggest that Ms K was told to lie to her bank, so I think it is most likely that she would have told them the true circumstances she found herself in – that she was making payments towards an investment opportunity. I would then have expected it to ask Ms K how she came across the investment, what sort of returns she had been promised, and other questions relating to the investment. I would expect them to offer warnings around cryptocurrency investments. The fact she did not have control of her investment, rather sent it to a 'broker' should have caused concern for Wise. I would expect financial institutions to ask customers if they had checked out an investment company with the Financial Conduct Authority – and given that this is how she later discovered that she had fallen victim to a scam I think it is likely she would have agreed to Wise stopping the payment and done so earlier – thus preventing her losses.

Should Ms K bear some responsibility for her loss?

Both parties accepted that Ms K should bear some responsibility for her loss – so I do not want to labour the point here as I know that Ms K is already aware that she should have done more before sending the funds here. But, I do agree that she should. This is for broadly the same reasons as our investigator, and include:

- It does appear she entered into the investment without doing due diligence.*
- She was persuaded to avoid using her high street bank account, and then sent the money onto the broker and had no control over her investment account.*
- The returns she thought she would get were simply too good to be true.*
- On the second payment – she was asked to pay a lot of money to withdraw her funds and the logic behind why they asked for this money was questionable.*

Putting things right

As I outlined above, our investigator originally suggested that two financial firms, one being Wise, should be responsible for Ms K's losses, along with Ms K. However, I am minded to say that the other financial business did nothing wrong in a separate case about them. And so, if nothing changes, I think the loss should fairly and reasonably be shared between Wise and Ms K equally. So, I would be asking Wise to reimburse Ms K the difference between what it has paid her, and 50% of her losses, plus 8% simple interest.

My provisional decision

If nothing changes, I will uphold this complaint and ask Wise Payments Limited to reimburse Ms K the difference between what it has already paid her, and 50% of her losses, along with 8% interest from the date of the loss to the date of the reimbursement."

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.

Ms K accepted my provisional findings, but Wise did not. It said, in summary, that it did not agree that the sending high street bank should also bear some responsibility for Ms K's losses. It pointed to the fact the previous £9,000 payment was about 15 months prior to the first fraudulent payment. It said that this was too distant to be relevant in the context of the

scam payments.

I have considered what Wise said in response to my provisional view of this complaint. I still do not think it would be fair and reasonable to hold the sending high street bank liable in this case. I say this because the funds went from her bank account to her own Wise account – which was a well established payee. Ms K had been sending money without issue over the preceding years, which did include the large amounts of up to £9,000. I appreciate that the £9,000 in particular was around 15 months prior to the scam, but this is not the crux of my decision here. The fact the payments were going to her own account, which had not been newly set up and had a history of undisputed payments from her bank account would have made the transactions look inherently less risky than, for example, payments which were going to a new payee for these amounts, or to a newly opened cryptocurrency account. Her bank have to strike a fine balance between the protecting customers from fraud and financial harm, and providing friction to the many legitimate payments like these that they process every day. So whilst the values of these payments could indicate a risk of fraud in some cases – I think when set against what her bank knew about the account it was going to, it did not act incorrectly in taking the payment instructions at face value here. And so it follows that I do not think Ms K's bank should be liable for any of the losses.

Taking this all into consideration, my findings are the same as those that I outlined in my provisional decision.

Putting things right

In order to put things right, I require Wise to reimburse Ms K the difference between what it has paid her and 50% of her losses. I also require it to pay her 8% simple interest on this amount from the date of the loss to the date of reimbursement.

My final decision

I uphold this complaint and require Wise Payments Limited to reimburse Ms K in line with what I said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 28 January 2026.

Katherine Jones
Ombudsman