

## **The complaint**

Mr J is unhappy that Wise Payments Limited (Wise) won't reimburse money he lost to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr J sadly fell victim to an impersonation scam and was tricked into sending a payment from his Wise account to an international account. He also made payments from other accounts he owns as part of the scam.

Mr J believed he had been contacted by lawyers and was convinced that his late uncle had left a significant inheritance which he was entitled to. He made several payments, believing that the people he was dealing with were lawyers and legal agents. Mr J has explained that his family thought he might be falling victim to a scam, but he didn't think that was the case. This was because he had met the scammers in person in the Netherlands and was shown the relevant funds he would be entitled to, so he thought that he was dealing with legitimate people. Mr J has also explained the scammers told him what to say when making payments. When he realised he had been scammed he reported it to the relevant parties. Mr J sent one payment from his Wise account for £10,000 in August 2021.

Mr J raised a complaint with Wise. It didn't think it had done anything wrong by allowing the payment to go through. So, Mr J brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. He explained that Wise should have provided Mr J with a warning before releasing the payment. But in the circumstances he didn't think this would have made a difference to Mr J's decision to send the payment. He explained that Mr J was being coached by the scammers to provide misleading information to ensure the payment was sent, so he didn't feel that further intervention from Wise would have stopped him from sending the payment.

Mr J didn't agree with the outcome. In summary, he highlighted he was being manipulated by the scammers and that Wise should have stopped the payment and recalled it. He also highlighted that other banks had investigated his scam claim and refunded him.

Mr J's complaint has now 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.

I'm sorry Mr J has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr J's circumstances, I must consider whether Wise is responsible for the loss he has suffered. I know this won't be the outcome Mr J is hoping for but, for similar reasons as our Investigator, I don't think it is. And so, I don't think Wise has acted unfairly by not refunding the payment. I'll explain why.

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. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied that 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.

I've noted that Mr J has explained that other banks have provided him with refunds for the losses suffered as a result of the scam. However, we consider each case on its own individual merits and although other banks have decided to refund him it does not automatically mean Wise must do so as well.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Wise isn't a signatory of the CRM Code Mr J's payment isn't covered by it. The CRM Code also doesn't cover international payments. I've therefore considered whether Wise should reimburse Mr J under any of its other obligations.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Wise is expected to process payments and withdrawals that a customer authorises it to make. It isn't disputed that Mr J knowingly made the payment from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised it. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Wise is expected to process Mr J's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Wise didn't intervene and stop the payment when it was made but it did contact Mr J after the beneficiary bank stopped the payment and requested further information. Mr J explained the beneficiary was his sister-in-law and that the purpose of the funds was to help purchase used items and industrial equipment/machines. Wise didn't question this any further. But given the value of the payment and Mr J's previous account activity I would have expected Wise to ask appropriate questions to establish whether there was a risk that Mr J was falling victim to a scam and I would have expected it to take appropriate steps to warn him. However, I'm not persuaded that a warning, had it been given, would have made a difference to Mr J's decision to go ahead with the payment. I have explained why below.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Mr J has highlighted that he was being manipulated by the scammers. He was convinced that he was dealing with genuine lawyers. He explained that his contact with the scammers started around 2019. It is also clear from the correspondence he has provided that he was discussing payments and why they needed to be made. He's also confirmed he was dealing with the scammers by phone. So, he spent a significant period of time interacting with the scammers before he sent the payment from his Wise account.

Mr J had also met with a scammer in March 2020, before he made the payment and was shown the relevant funds he expected to receive as part of the inheritance. This would have

given him confidence that he was dealing with genuine people. It's clear this meeting had a positive impact on him, leaving him to believe he would inherit the funds, despite the concerns his family had. Customers do not typically meet with scammers so I can understand why he thought he would receive the inheritance following this visit. As a result, he was willing to part with a significant sum of money from his Wise account and others.

Mr J has also confirmed he was given a cover story to provide any firms which intervened on the payments he was making towards the scam. He has provided us with correspondence from the scammer where this has been mentioned several times. He shared this information with Wise when it questioned the payment so if Wise had stopped the payment and questioned Mr J, on balance, it's likely he would have provided this cover story for the payment rather than revealing why he was making it.

So, on balance for the reasons described above, I don't believe a warning would have impacted Mr J's decision to make the payment. It's reasonable to conclude that Mr J was under the spell of the scammers, most likely because of the large sum of money he had been promised, and the way the scammers had manipulated him. So, even if Wise had provided a warning highlighting the risks associated with the payment, I don't think that it would have resonated with him. And on balance, I believe he would have continued to make the payment.

I'm aware Mr J has said Wise should have taken into consideration his age – as this made him potentially vulnerable to falling victim to the scam. While I agree that Wise should be mindful of this, I cannot reasonably ignore the response Mr J provided to Wise when it questioned him about the payment. I also can't say that Wise was or should have been aware that he was vulnerable from his contact with him. So, I wouldn't have expected any special adjustments for him at the time the transaction was made.

Taking all of this into consideration, I don't think Wise ought to have done more before following the instructions Mr J gave.

I've finally considered if Wise did what it should have done once it was made aware of the scam. On balance, I think that had Wise contacted the beneficiary bank once it became aware of the scam, it would not have been able to recover the funds. I say this because a significant period of time had elapsed between the payment being made and the scam being reported, so I think it is unlikely that any funds would have remained in the beneficiary account that could have been recovered.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 10 February 2026.

Aleya Khanom  
**Ombudsman**