

The complaint

Mr F complains that Wise Payments Limited trading as Wise unfairly refuses to refund him money he lost in a holiday rental scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I won't repeat them in detail here. Instead, I've summarised what I consider to be the key points.

Mr F says he was looking to book a holiday and found a suitable villa to rent. He says he made some checks and noticed that the rental company had a UK address and bank account, the company appeared to be registered in Spain and when he contacted it, it responded promptly. He booked the villa and made a payment of €7,400 by bank transfer on 30 April 2025, using the bank details he had received from the rental company.

Shortly before his arrival date, he was contacted and told that the villa was unavailable due to flooding and he was promised a refund, but no refund was made and contact then stopped. Mr F contacted Wise for a refund, but Wise wouldn't refund his money.

Mr F says Wise ought to have done more to protect him from fraud. He says he rarely makes payments of this size and Wise ought to have called him to check the payment. If Wise had done so, he suggests he would have cancelled the payment. He thinks Wise ought to have warned him that there were fewer protections in place for this payment because it was a Euro payment. He questions whether Wise checked that the account name and number matched. Mr F considers Wise was unhelpful when he initially reported the scam. In general, Mr F thinks Wise ought and the receiving bank ought to be responsible and he questions how a scammer managed to open an account with the receiving bank.

Wise initially said this was a civil dispute but then accepted Mr F had been scammed and put in a claim to the receiving bank but no funds were left in the receiving bank account to be recovered. Wise says the payment wasn't suspicious and so it didn't intervene. It notes that the payment isn't covered by the APP scam reimbursement rules (ASR) because it was made in Euros between two Euro denominated accounts.

Our Investigator didn't think Mr F's complaint should be upheld. While they thought the payment was sufficiently unusual that Wise ought to have provided a warning to Mr F, they thought it was unlikely that a warning would have uncovered the scam. If Wise had intervened and asked about the payment, they didn't think Mr F's response – that he was paying for a holiday - would have caused concern. Wise might have warned him to check the company was genuine, but Mr F had said he had already carried out checks on the company before making the payment. Overall, the Investigator thought it unlikely a warning would have changed things.

Mr F didn't accept the investigator's assessment and so the complaint has been passed to me for an ombudsman's 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 F has been the victim of a cruel scam, and he has lost a significant amount of money as a result of it. I have no doubt this has been very distressing. But having considered everything that has been provided, I'm not upholding his complaint about Wise. I'll explain why.

In broad terms, the starting position is that a firm, such as Wise, is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case, it's accepted by all parties that Mr F authorised the payment and Wise made the payments in accordance with Mr F's instructions.

The ASR doesn't apply in this case because Mr F was making a payment in Euro and these rules only apply to payments made in Sterling.

But the matter doesn't end there. Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Wise ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

The payment Mr F made was quite large and he didn't usually make payments of that size. So I agree with the Investigator that it warranted intervention from Wise. But I also agree with the Investigator that intervention from Wise is unlikely to have prevented Mr F's loss. If Wise had intervened, whether by asking automated questions or in person, I consider it's likely it would have simply established that Mr F was paying for a holiday and he had carried out some research or checks before making the payment. I haven't seen anything that persuades me Wise would have had cause for concern to the extent that it would have refused to make the payment. If it had provided Mr F with a warning, the most relevant warning it could have given in this case would have been for Mr F to carry out checks to make sure he was paying a legitimate business. But since Mr F says he had already made some pre-payment checks and was satisfied he was dealing with a legitimate business, it seems unlikely that such a warning would have changed anything.

I have considered Mr F's point that Wise was initially unhelpful when he reported the scam. I can see that the scam was reported on 19 May 2025 and Wise initially treated this as a civil dispute. It was not until 9 June 2025 that Wise accepted it was a scam and it didn't put in a claim to the receiving bank until 10 June 2025. But I think it's unlikely that this delay caused any loss. The payment took place more than two weeks before the scam was reported and, in my experience, scammers move money on promptly. So I think the delay in Wise making a claim is unlikely to mean it missed a chance to recover Mr F's money.

I understand that Mr F thinks Wise should be responsible for his loss. I have read the points he's made about whether Wise checked the payee's name and account number matched. I've also considered his point that Wise should have warned him that this payment had fewer protections because it was a payment made in Euro. Where confirmation of payee operates, if an account name and number do not match, a warning is provided asking a customer if they want to go ahead. So, if there wasn't a match here and Mr F went ahead, I don't think that would be Wise's fault. And I wouldn't reasonably have expected Wise to make a warning when its customer made particular types of payments to explain that it might have fewer protections than other types of payments and there is no obligation for Wise to provide such warnings.

Mr F has also questioned how a scammer was able to set up an account with the receiving bank, but since Wise wasn't the receiving bank and that account wasn't Wise's responsibility, that isn't a matter for Wise.

My final decision

For the reasons given above, I don't uphold Mr F's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 March 2026.

Greg Barham
Ombudsman