

The complaint

Mr S has complained that Wise Payments Limited won't refund the money he lost after falling victim to a scam.

What happened

In late 2022, Mr S was going to make a payment to an overseas investment firm he'd used successfully before. He was dealing with the firm via a family member.

One of the employees involved had their email compromised, and a scammer intercepted the relevant email chain. The scammer sent Mr S's family member false payment details on behalf of the firm. The family member remarked on the oddity of the details using a totally different bank than before, but passed them to Mr S.

Mr S made a payment of around \$70,000 to the details the scammer had provided. Some months later, it emerged that the firm had not received his payment.

Wise didn't think it was liable for Mr S's loss. Our Investigator didn't uphold the complaint either. Mr S's representatives asked for an ombudsman's decision, so the complaint's been passed to me to decide.

I sent Mr S and Wise a provisional decision on 2 October 2025, to explain why I thought the complaint should be upheld. In that decision, I said:

There's no dispute that Mr S authorised the payment involved, even if he didn't intend for the money to end up with scammers. So under the Payment Services Regulations and the terms of his account, Mr S is liable for the loss in the first instance. But the matter doesn't end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, and what I consider to have been good industry practice at the time, I consider that Wise should have fairly and reasonably:

- *Monitored accounts and payments to counter risks such as fraud and scams;*
- *Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;*
- *In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.*

While I accept that this account was intended for remitting money, the payment involved stood out as remarkable. It was very large in and of itself, and was exceptionally larger than any of Mr S's prior payments. Wise pointed out that Mr S made other large payments in the years that followed. But that hadn't happened yet at the time, so it cannot rely on that. This payment was also being made internationally, to a brand new payee, and it drained the account's balance. It was concerning and out of character for this account based on its history up to that point, and should've prompted Wise to intervene.

Had Wise intervened and asked reasonable questions, it seems most likely that it could have uncovered the scam and prevented the loss. Given the size and nature of the payment and its intended purpose, reasonable questioning should've included checking how Mr S had got the details. Mr S had no good reason to lie, and would've most likely said it came by email to his family member. And this kind of email interception was a relatively prominent type of scam at the time, which Wise ought to have been reasonably aware of. So it should've warned Mr S about email interceptions and encouraged him to contact the firm via another method – such as by phone – to check these new details, thereby stopping any loss.

I've found no good reason to think that Mr S wouldn't have listened to Wise. The reason he'd sought new payment details – instead of immediately paying via the ones he'd used before – was to save a few dollars in fees. This indicates he was willing to delay payment and deal further with the firm in order to save his money, even if only a small amount. So if Wise had explained how email interceptions work in sufficient detail, and set out the potential risk to his funds of nearly \$70,000, that would've most likely resonated with Mr S and motivated him to double check the details. Mr S had a close relationship with his family member, the family member was generally happy to talk to the firm on Mr S's behalf, the family member was local to the firm's key employee and knew them personally, and in their emails with the scammer the family member had already remarked on the oddity of the new details using a totally different bank despite having just paid the firm very recently. So had Wise carried out reasonable, proportionate intervention, I find it's most likely that Mr S and his family member would've double checked the details, which would've uncovered and prevented the scam. And so I think Wise bears liability for the loss it failed to prevent.

I've also thought carefully about Mr S's role in what happened. In the circumstances, I can understand why Mr S didn't notice anything was wrong. As far as he was concerned, he was just paying a legitimate investment company who he'd used successfully before, who'd sent the details to his trusted family member in what would've looked like a genuine email on the surface. I've seen nothing to suggest that Mr S was, or ought to have been, familiar with this type of scam. So I don't think he would've had any good reason to be concerned unless Wise told him about interception scams and the need to double-check the details. And so I don't think Mr S needs to share any liability for the loss.

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.

In response to the provisional decision, Mr S accepted it.

Wise did not. It confirmed it had no further evidence to provide. But it felt this must be a change in our approach or in the data about interception scams. It pointed out that it was common to receive invoices by email, and while it accepted it was best practice to double-check payment details, it argued there was no specific guidance or requirement to warn customers about email interception scams or to advise them to double-check the details.

While I understand Wise's line of argument, this decision is in line with our approach and with what we've seen of such scams. Of course, we look at each case on its own merits, but if Wise looks up prior decisions about such scams it will see that we've been consistent in our messaging for a long time.

As Wise knows, there is no regulatory guidance which stipulates which exact questions need to be asked in any given situation. Instead, if spending has been identified as high enough risk to need person-to-person intervention, then such intervention should be dynamic and tailored to the risks identified. That means the right questions and warnings will depend on the situation.

For Mr S's situation – where a very large payment was being made to a new international payee which was ostensibly a previously-used firm – then interception or impersonation was going to be a key concern. If asked appropriate questions, Mr S would've said he was paying an investment firm he'd paid recently; but Wise would be able to see he was paying a new payee at a different bank to the one he'd just used before. So it would fairly obviously be common sense to ask about those new payment details, including about how they'd been provided (here: by email), and to warn about email interception scams and the importance of double-checking the details directly. Not least given the amount involved, the lack of confirmation of payee, the relative prominence of such scams, and the fact that the new payment details had been provided by email using a completely different bank to the one the firm had just used to receive Mr S's recent prior payment.

As I set out before, it's most likely that Mr S would've answered the questions honestly, I've found no good reason to think he wouldn't have listened to Wise, and given his prior actions and his connection to the family member and firm it's most likely he would've just double-checked the payment details. And that would've uncovered and prevented the scam.

Other than that, neither side sent me any new evidence or arguments. So having reconsidered the case, I still find that Wise should have intervened, and that reasonable intervention would've most likely prevented the loss here. And so I find that Wise is liable for the loss it failed to prevent.

Putting things right

I direct Wise Payments Limited to:

- Rework the account as if the payment involved had never taken place, which means refunding the loss in full including any related fees or charges; and-
- Add simple interest at the rate of 8% simple per year onto the refund, payable from the date the reimbursed payment debited until the date of the refund.

If Wise considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr S how much tax it's taken off. It should also give Mr S a tax deduction certificate if he asks for one. Mr S may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

My final decision

I uphold Mr S's complaint, and direct Wise Payments Limited to put things right in the way I set out above.

If Mr S accepts the final decision, Wise Payments Limited must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 November 2025.

Adam Charles
Ombudsman