

The complaint

Ms J complains about Wise Payments Limited.

She says that Wise should refund her the full amount she lost when she fell victim to an impersonation scam.

What happened

Ms J received phone call from someone purportedly from an online selling site 'A' who told her that her account had been compromised.

They requested to take control of her mobile phone to resolve the issue. They then told her that her bank accounts were also authorised and subsequently tricked her into making three payments to an account in India set up in her own name totalling £1,419.

Ms J realised she had been scammed and complained to Wise about what had happened.

It refunded her 50% of the last two payments totalling £310.54, but Ms J remained unhappy so brought her complaint to this Service.

Our Investigator looked into things, and said that Wise had already done more than they would expect in the circumstances, and so they didn't recommend any further redress.

Ms J asked for an Ombudsman to make a final decision on the complaint, so it has been passed to me.

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.

Having done so, I have decided not to uphold this complaint, I know this will be disappointing for Ms J, so I'll explain why.

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, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable that Wise should:

Ms J says that she didn't authorise the payments herself – however Ms J allowed third party access to her phone and bank account, so although she was tricked into allowing the payments and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Wise should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

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

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Wise acted fairly and reasonably in its dealings with Ms J when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payment in question, I don't think that Wise would have had any concerns about the payments that left Ms J's account which would have warranted it getting in touch with her about them. The initial payment was for just under £800, so it wasn't a large transaction – and the other payments were for smaller amounts. And although Ms J's account hadn't been used in some time, she had used the account previously to make payments to India for larger amounts. So, I don't think there was anything suspicious about the transactions, and as I have explained above, Wise can't be expected to intervene in every transaction.

That said, Wise has already said to Ms J that it feels it could have done more to protect her when the last two payments left her account and refunded her 50% of those transactions. I understand this has already been refunded to Ms J, so I don't direct it to pay her any further redress.

I do have sympathy for Ms J, and I understand that she was cruelly tricked – but I can't say that Wise missed an opportunity to stop the payments, or that Ms J didn't authorise them,

albeit she was duped into doing so.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 26 December 2025.

Claire Pugh
Ombudsman