

## **The complaint**

Mr A is complaining about Wise Payments Limited because it declined to refund money he lost as a result of fraud.

## **What happened**

Sadly, Mr A fell victim to a cruel purchase scam after he didn't receive goods he'd purchased online from what he believed to be a legitimate seller. In July 2025, he made three payments to the scammers that originated from his bank and went via Wise - £24.33 on 14 July, £20 on 24 July and £717.42 on 27 July. £20 was returned to Wise and refunded to Mr A the following month but the rest was lost.

Our investigator didn't recommend the complaint be upheld. He didn't think Wise should have identified the risk of fraud or intervened in the payment process.

Mr A didn't accept the investigator's assessment and made the following key points:

- He carried out his own research to try and confirm the legitimacy of the seller, but Wise should have had systems in place to warn about fraudulent recipients.
- These should have been identified as high-risk payments and the fact he'd made previous overseas payments shouldn't have prevented these being flagged.
- Wise failed to prevent him suffering foreseeable harm and failed to meet the standards required by the Financial Conduct authority's (FCA's) Consumer Duty.
- He reported the scam promptly and Wise should have done more to recover his money.

The complaint has now been referred to me for review.

## **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've reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mr A authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Wise is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context,

'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Wise also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' 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 Mr A.

### *The payments*

One of the key features of a Wise account is that it facilitates payments that sometimes involve large amounts and/or transfers to overseas accounts. I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider its responsibility to make payments promptly.

Having considered what Wise knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. The payments were for relatively low amounts and went to other Wise accounts where the holder had been verified and there were no indications they'd been involved in fraudulent activity. Further there were only three payments and they were spread out over a period of two weeks, meaning a pattern of multiple, rapid and increasing payments consistent with many known types of scam hadn't begun to emerge. In the circumstances, I don't think there were sufficient grounds for Wise to think that Mr A was at risk of financial harm from fraud when he made the payments and I can't reasonably say it was at fault for processing them in line with his instructions.

I've noted Mr A's comments about the FCA's Consumer Duty and I've taken account of Wise's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Wise was expected to avoid causing him foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm he suffered, nor do I think that harm was reasonably foreseeable given the information that was available to it at the time.

I want to be clear that it's not my intention to suggest Mr A is to blame for what happened in any way and I can see he carried out detailed research in an attempt to verify the legitimacy of the seller. But unfortunately this wasn't enough to prevent him falling victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Wise and, having done so, I'm not persuaded these were the cause of his losses.

### *Recovery of funds*

The payments went to an overseas account, meaning Mr A isn't entitled to a refund under the industry's reimbursement scheme for authorised push payment (APP) fraud. Nonetheless, I've looked at whether Wise could or should have done more to try and recover his losses once it was aware that the payments were the result of fraud.

I understand Mr A first notified Wise of the fraud on 5 August, more than a week after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. Wise has confirmed that this is what happened here, with the scammers' accounts being emptied within hours. Wise has confirmed that it did contact the receiving overseas banks but received no response and that's not unusual in this situation. The recovery of international payments is more difficult because permission is normally required from the recipient account holder and it's unlikely this will be successfully obtained where payments were part of a scam.

In the circumstances, I don't think anything that Wise could have done differently would likely have led to these payments being successfully recovered.

#### *In conclusion*

I recognise Mr A has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Wise acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

#### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 March 2026.

James Biles  
**Ombudsman**