

The complaint

Mr M complains that Wise Payments Limited won't refund him the money he says he lost in an investment scam.

Mr M is being represented by a professional representative but for ease of reading I'll just refer to Mr M.

What happened

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

Mr M says he saw an advert on social media about an investment in cryptocurrency. He was interested, made contact and was persuaded to invest. He says he did some research before investing and started off with small amounts, before making more substantial payments towards the investment when he saw its value increasing. Mr M says when he came to withdraw money from his investment he found he was unable to do so. He was given excuses about why the money couldn't be withdrawn and then asked to pay 10% of the value as a deposit in order to release the funds and it was at this point, and on checking elsewhere, that he discovered he had been the victim of a scam.

Mr M says the following payments were made as part of this scam:

Date	Amount	Payment type	Destination
30/11/2023	€8,100	Transfer	Bank A
28/02/2024	€11,559.07	Transfer	Company B
22/07/2024	€10,000	Card payment	Cryptocurrency exchange
22/07/2024	€10,000	Card payment	Cryptocurrency exchange
22/07/2024	€9,300	Card payment	Cryptocurrency exchange

Mr M considers Wise ought to have intervened by contacting him about the first payment because it was an unusual transaction. If it had contacted him, asked probing questions and given him relevant warnings, he thinks the scam would have been uncovered and his losses could have been prevented.

Wise says the transactions weren't out of character for Mr M's account because he made occasional, larger payments from his account that were higher in value than these payments. It says the transactions took place over an extended period and they didn't match known fraud patterns. Wise also says it doesn't think Mr M made reasonable checks before investing. It says it attempted to reclaim one of the payments, but needed a copy of a report from Action Fraud to pursue the other payment and Mr M hasn't provided. It didn't make chargeback claims for the card payments because the payments would be considered to have been correctly made when the authorised payments credited the account of the legitimate merchant they were sent to.

Our investigator didn't uphold Mr M's complaint. She wasn't persuaded that Mr M had been the victim of a scam and she couldn't be sure any of these payments had been sent to the

scammers due to the lack of supporting evidence. She said some of the money had been paid to an account in Mr M's own name, other money had been sent to a legitimate cryptocurrency provider. There was little evidence to show the money was sent on from these accounts to the alleged scammer. Mr M had told her the messages between him and the scammer had been deleted and while there were some emails to Mr M from a company that was on a warning list with the Financial Conduct Authority (FCA), there was no reference in those emails to any payments.

Mr M didn't agree with the investigator's conclusions. He says the scammer had deleted the messages once the scam was uncovered and this wasn't his fault. He has provided some screenshots from his investment account, showing deposits which he says correspond with the payments he made from Wise. While the evidence doesn't show the exact way the scam played out, it did show he was in contact with a company the FCA had warned consumers about. He says his recollections are evidence which we should take into account.

As Mr M didn't accept the investigator's assessment, his 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.

Having done so, I've come to the same overall conclusion as our investigator and for similar reasons. I'll explain why.

In broad terms, the starting position is that a firm 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 M authorised the payments and Wise made the payments in accordance with Mr M's instructions.

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 should have made additional checks before processing payments in some circumstances.

The first issue I need to consider is whether there is sufficient evidence to show it's likely that Mr M was the victim of a scam and if so, what his loss is.

The investigator considered that there wasn't sufficient evidence but Mr M disputes this and considers that he has provided enough evidence to show it's likely he has been the victim of a scam.

There is some evidence that Mr M might have been the victim of a scam. Firstly, I agree with Mr M that his recollections are evidence, and I have had regard for them. I've taken his recollections into account, but they are one piece of evidence, and I need to consider his recollections along with all of the other available evidence when deciding what is fair and reasonable in all the circumstances of his complaint.

Mr M has also provided some emails from the investment platform and a copy of some messages from a popular messaging application. In my view the emails don't provide much information, but they do show Mr M was exchanging messages about investment with a company that was on an FCA warning list, although the warning said the company might be providing or promoting financial services without permission, rather than identifying it as a

scam. But that is some evidence, along with his recollections, that he might have been the victim of a scam.

The evidence Mr M has provided us, to support his recollections that the payments he made from Wise were sent to a scammer, is mainly in the form of some screenshots of the alleged fake investment account, showing the following deposits:

- 4 December 2023 \$9,571
- 28 February 2024 €11,559
- 23 July 2024 \$30,000

The first payment Mr M made from his account with Wise went to an account in Mr M's name at an overseas bank. There is very little evidence it was transferred on to the scammers from there. I have considered the screenshots Mr M has sent me from the investment account. The only deposit showing in the screenshots from the investment account that might correspond with the €8,100 payment Mr M made from his Wise account on 30 November 2023, is a deposit to the investment account on 4 December 2023. But the amounts are quite different. €8,100 was significantly less than the \$9,571 deposited into the investment account on 4 December 2023, considering the conversion rate from the time. From the limited messages we do have, I can see that on 4 December 2023 Mr M messaged his investment adviser to query why a recent deposit wasn't showing in his investment account. Mr M said that *he* had transferred a lump sum from *his* wallet with a cryptocurrency exchange to the investment account on 1 December 2023. These funds then appeared in the investment account and are recorded as having been deposited on 4 December 2023. However, Mr M has told us that the €8,100 payment from Wise was made to an account he didn't control and was moved on to the investment account by the scammers, so it's hard to see how the \$9,571 deposited into the investment account by Mr M, from his own cryptocurrency account on 4 December 2023, can be the same money.

There is also a significant difference between the €29,300 Mr M paid from his account with Wise and the \$30,000 deposited into his investment account. €29,300 would have converted to around \$33,900 at the time. We asked Mr M to provide a screenshot from the cryptocurrency wallet showing the transfer of funds to his investment account, but he says this cryptocurrency wallet wasn't under his control, so he is unable to provide it.

The copies of the messages between Mr M and the scammer suggest Mr M had a cryptocurrency account from which he transferred funds to the investment account, so it's hard to understand why Mr M was asked to fund his account in the way set out above, through a payment to an overseas bank, to a company based overseas and to another cryptocurrency account he says he did not control.

The payment on 28 February 2024 from his Wise account does appear to closely correspond to a deposit into the investment account on the same day and for a very similar amount.

There is little supporting evidence to show Mr M has lost his money. The screenshots from his investment account show a declined withdrawal of his funds on 22 August 2024, followed by a completed withdrawal on 23 August 2024, and I haven't been provided with copies of messages or emails to the scammer chasing his money or complaining that he wasn't able to access the account. I understand Mr M didn't report the matter to Action Fraud either. While I understand Mr M's point that his messages were deleted by the scammer, I would expect to see some supporting evidence to show that he has lost his money.

In general, there's very little supporting evidence to show that some or all of Mr M's payments from Wise ended up in his investment account. There is little evidence his money

has been lost and if so, how much. There is little supporting evidence to show the wider circumstances of the scam, how it came about, what was agreed, why the payments were made in the way Mr M described, whether he was told anything about the returns he could expect and how much risk was involved, how plausible that information was and whether there were any warnings signs that this was a fraud, amongst other things.

While I consider there is a real possibility Mr M might have been scammed and I am sympathetic that he might have lost some of all of the money he has claimed, based on the evidence I have I do not consider I can fairly and reasonably require Wise to refund him, due to the gaps and limitations in the evidence about whether there was a scam, what money was sent to the scammers and the general surrounding circumstances.

In terms of recovering Mr M's money, I don't consider there was any realistic prospect of Wise being able to recover any of his money. Three of the payments were card payments that were used to fund an account with a legitimate cryptocurrency exchange, and the payments would have been considered to have been completed at the point funds were credited. In the case of all the payments, Mr M didn't report this matter to Wise until around 10 months after the final payments were made and, in my experience, funds are generally moved on quickly in these situations, often within hours. Overall, I consider it's highly unlikely any funds would have remained for Wise to recover.

My final decision

I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 January 2026.

Greg Barham
Ombudsman