

The complaint

Mr A has complained that Wise Payments Limited (Wise) won't refund money he lost to a scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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 agree with the investigator's findings for broadly the same reasons, I will explain why. I've taken into account Mr A's very detailed submissions about what happened at the time. I hope he doesn't take it as a discourtesy that I don't reply to every point he has made. The purpose of my decision is to explain my findings on the issues I consider key in the complaint.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr A authorised the payments from his Wise account. Therefore, under the Payment Services Regulations and the terms of his account, Wise is expected to process Mr A's request, and he is presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February 2025 that Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Wise sometimes does);
- 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.

Wise has said as Mr A had opened his account on 7 February 2025 (and the first payment in dispute was the same day he opened his account) it didn't have enough account history and so not enough insight in his account activity to detect the payment in dispute as unusual or uncharacteristic. I don't agree that this prevents it from appropriately identifying suspicious activity. I also have to take into consideration other factors surrounding the payments in question.

The first payment which is in dispute is £30,489 sent on 7 February 2025. This was an international transfer for a high value payment. So, I am satisfied the payment demonstrated multiple factors which indicated Mr A was at risk of financial harm. And while I accept that Wise was used as a PSP I still would have expected some intervention.

So, I have gone on to consider what I think would have been a proportionate intervention. Given the payment value and what Wise would have known about the circumstances surrounding the payment I am satisfied a proportionate intervention would have been human intervention. However, given what we know about Wise's systems, I am satisfied it's unlikely this would have happened over the phone. If Wise had made contact with Mr A, I would have expected it to have asked open and probing questions surrounding the payment, such as why he was making the payments, whether there was a third party involved and, if so, how he met them, and whether he'd been coached on how to answer the questions. But I don't think this would have made any difference. I will explain why.

Having reviewed the scam chat Mr A provided, it is clear Mr A and the scammer had built rapport and trust. Mr A regularly consults the scammer and seeks guidance. At one point Mr A shares messages with the scammer regarding a failed transaction and the scammer guides Mr A on alternative options in order for the transaction to go through successfully. In the scam chat I can also see comments from the scammer advising Mr A to contact financial institutions and say "I am making an online purchase worth of x amount please allow it." Highlighting that Mr A and the scammer were discussing how to circumvent fraud detection systems to ensure the payment goes through. I have also considered what Mr A has told our service:

"I was under real-time manipulation highlights why robust fraud prevention measures were essential."

Whilst I agree a robust intervention, such as human intervention was required (as I have highlighted above) Mr A was being coached in 'real time' and seeking guidance from the scammer. As such, I think it's more likely than not that even if Wise had intervened in the way I have highlighted above, Mr A wouldn't have provided accurate answers to Wise's questions (due to the real time coaching by the scammer). Therefore, I am satisfied Wise wouldn't have been able to uncover the scam and prevented Mr A's losses.

I've also looked at whether Wise took the steps it should have once Mr A contacted it to dispute the payments (which was roughly two months after the payments were transferred). It's important to note that Mr A didn't ask Wise to send the money directly to the scammer but instead to an account in his own name under his control. Wise did as Mr A requested. So, it was always highly unlikely that Wise would be able to facilitate the recovery of the payment after they were moved on to the scammers. In any event due to the time that had passed from the scam occurring and when it was reported to Wise, I am satisfied it was always unlikely the funds would have been recoverable.

I note that Mr A has said that he wants compensation for the distress and inconvenience caused. Whilst I don't dispute Mr A would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Wise should pay Mr A compensation as a result.

I would also point out that I really do appreciate the impact this issue has had on Mr A. But in reaching my decision in this case, I have to put aside my natural feelings of empathy and consider the case impartially and fairly, based on the available evidence. As such and for the reasons I have explained, I won't be asking Wise to do anything further.

My final decision

My final decision is that I don't 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 9 March 2026.

Jade Rowe
Ombudsman