

The complaint

Mr H complains that Wise Payments Limited trading as Wise (“Wise”) hasn’t refunded him the money he lost, after he fell victim to an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to all parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

In November 2024, Mr H made an international payment of €8,553 from the account he holds with Wise, to a third party to rent a holiday chalet abroad. After making the payment, the beneficiary became unresponsive, and Mr H realised he’d fallen victim to a scam.

Mr H reported the scam to Wise and asked for a refund. However, Wise didn’t think it had done anything wrong when Mr H made the payment and so it declined to refund the loss.

Unhappy with Wise’s response, Mr H referred his complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, our Investigator didn’t think Wise should reasonably have been expected to have prevented the scam. This was because she didn’t think the payment would have stood out as being unusual, nor that there was anything else about the circumstances that would have led Wise to think Mr H may have been at risk of financial harm.

Mr H didn’t agree with our Investigator’s view. In summary;

- Mr H said Wise shouldn’t be able to exclude itself from the APP scheme rules.
- He added that while he couldn’t recall the steps Wise asked him to check prior to performing the transaction, he was sure the level of customer checking requested was less than mandated.
- Mr H said he placed his trust in Wise and believes there should be a three-way split of responsibility between himself, Wise and the German bank (to which the payment was made).
- He also challenged the position the Investigator took that the large payment he made was not unusual for his account.
- Mr H said he relies on solid financial institutions and it feels like they can avoid their responsibilities despite facilitating fraud.

As agreement couldn’t be reached, the complaint has been passed to me for a final 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.

I’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I’ve focussed on

what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry Mr H has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr H's circumstances, I must consider whether Wise is responsible for the loss he has suffered. I know this won't be the outcome Mr H is hoping for but, for broadly the same reasons as our Investigator, I don't think it is. And so, I don't think Wise has acted unfairly by not refunding the payment. 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. It isn't disputed that Mr H knowingly made the payment from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised it. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Wise is expected to process Mr H's payments, and he is presumed liable for the loss in the first instance.

Mr H has questioned whether Wise should be able to exclude itself from the APP rules. I should be clear on this; it doesn't exclude itself and neither Wise nor this service sets these rules. From 7 October 2024, Payment Services Providers in the UK, like Wise, have been bound by the Faster Payments Scheme (FPS) and the CHAPS reimbursement rules ("Reimbursement Rules"). Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed. But Wise is correct that international payments are excluded from the relevant Reimbursement Rules, and I don't think it would be fair to say it had acted incorrectly by correctly interpreting these rules.

However, that isn't the end of matters, the regulatory landscape, along with good industry practice, sets out requirements for Payment Service Providers to protect their customers from fraud and financial harm. So, in line with this, I think Wise should have been monitoring accounts and had systems in place to look out for unusual transactions and, in some circumstances, have carried out additional checks before processing payments.

I've carefully considered whether Wise reasonably ought to have been concerned that the scam payment demonstrated a fraud risk at the time the payment was made. Having done so, I'm not persuaded the payment was so suspicious that Wise reasonably ought to have had any fraud concerns. Mr H had made a number of payments out of his account for what I consider to be similar or larger amounts in the months before this payment. So, I don't think the amount of this payment was particularly unusual when compared to the other activity on his account. It was also a single payment, so wasn't part of a pattern of payments that would have looked suspicious.

Alongside this, Wise is a money remittance service and many of its customers use its services to send money internationally, as Mr H had done previously. So, in comparison to the usual payment activity on the account, an international transfer of €8,553 didn't look suspicious.

I note, in the circumstances of this case, that Wise did provide a warning at the time. Mr H selected 'goods and services' as the purpose of the payment he was making and Wise provided a warning in relation to that. I consider this level of intervention was proportionate in the circumstances and Wise didn't need to do more.

Overall, I'm not persuaded the scam payment demonstrated Mr H was at risk of financial harm from fraud and I don't think it was unreasonable that Wise's intervention didn't go further than it did.

I'm mindful Mr H has suggested that a fair resolution to this case would be for liability to be split three ways. However, my decision here focuses solely on Wise's responsibilities and I have no jurisdiction over the international bank to which the payment was sent. And, for reasons our Investigator has explained, when the payment was made Wise wouldn't have reasonably known that the international account Mr H was making his payment to was being controlled by fraudsters. Wise wouldn't have any control over how the beneficiary account was set up. That would be down to the German bank, who the account was set up with, ensuring that the Anti-Money laundering procedures were followed, which would be laid out by the supervisory authority for that region.

I'm also mindful that Mr H has questioned the regulations and law regarding the obligations of firms such as Wise when it comes to fraud. Adding that it seems wrong that cross currency transactions are excluded from scam regulations. But I would point out that we're not the regulator of financial businesses and it's not the role of this service to tell a payment service how it should run its processes, nor is it this service's role to monitor those processes, how they operate generally or to set rules which firms must follow. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. And, as I'm required to do here, my decision is limited to considering whether Wise has acted fairly and reasonably in deciding not to reimburse Mr H his loss.

Wise did attempt to recover the lost funds from the beneficiary bank. However, this wasn't successful. Wise didn't attempt this as quickly as it could've done. But, as the beneficiary bank was based abroad and because it didn't respond, I'm not persuaded the delay has resulted in any detriment to Mr H, as I don't think the funds could've been recovered. I also say this as a number of weeks had passed between the payment and Mr H reporting the matter to Wise – sadly, it is typical of fraudsters to move money out of the receiving account soon after a payment is received, seemingly to avoid this type of recovery attempt.

I have a great deal of sympathy for Mr H and the loss he's suffered. But it would only be fair for me to direct Wise to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise has acted fairly and I don't think it is liable for the loss Mr H sadly suffered.

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 H to accept or reject my decision before 13 May 2026.

Stephen Wise
Ombudsman