

The complaint

Ms M is being represented by a claims manager. She's complaining about Wise Payments Limited because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Ms M fell victim to a cruel investment scam. After responding to an advert on social media offering attractive investment returns, she was persuaded to send money to a fake investment scheme. To fund this she made the following payments from her Wise account to another overseas account that appeared to be in her own name but that I understand was controlled by the scammers:

| No. | Date | Amount £ |
|-----|-------------|----------|
| 1 | 10 Mar 2025 | 4,000.23 |
| 2 | 13 Mar 2025 | 14,000 |
| 3 | 13 Mar 2025 | 980 |
| 4 | 14 Mar 2025 | 5,000 |
| 5 | 28 Mar 2025 | 5,000 |
| 6 | 1 Apr 2025 | 6,000 |

Our investigator didn't recommend the complaint be upheld. They felt Wise should have identified Ms M may be at risk of harm from fraud and done more to find out the purpose of the payments. But they also noted that the bank from which Ms M originally transferred the money to Wise did speak to her on the same day as payments 2 and 3 and she didn't give accurate information about what she was doing. They concluded that she'd have likely responded to further enquiries from Wise in the same way.

Ms M didn't accept the investigator's assessment and her representative made the following key points:

- The bank's intervention was ineffective because its agents failed to ask sufficiently open, probing questions or to scrutinise Ms M's responses. If they'd done so, the scam would have been uncovered.
- Wise had more information about where this money would end up, giving it an even better opportunity to uncover the scam.
- Wise provided no warnings about investment scams.
- Wise failed in its responsibilities under the Financial Conduct Authority's (FCA's) Consumer Duty to protect Ms M from foreseeable harm.

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 Ms M 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 Ms M.

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 payment 1 at the time, I'm not persuaded it ought to have been particularly concerned. While the amount was relatively large, the payment appeared to be going to another account in Ms M's own name and at this stage I don't think a pattern of multiple, rapid and increasing payments consistent with many types of scam had begun to emerge. So I don't think there were sufficient grounds for Wise to think Ms M was at risk of harm from fraud or that it was at fault for processing the payment in line with her instruction.

Payment 2, however, was much larger and was the second such payment in a short space of time. It was also out of character with previous account usage, which had been very limited since the account was opened. This is the point at which I think Wise should have identified Ms M was at risk of harm from fraud.

Having thought carefully about the risks payment 2 presented, I think a proportionate response would have been for Wise to attempt to find out more about the reason for the payment and the surrounding circumstances, most likely by speaking to her over the telephone.

Unfortunately, Wise doesn't appear to have recognised this risk. But the bank from which Ms M transferred money to Wise did and she spoke to two of its agents on the same day as payments 2 and 3.

I've listened to recordings of Ms M's calls with the bank. The agents clearly explained the purpose of the intervention was to make sure she wasn't being scammed and the importance of her being open and honest with her answers. When asked about the purpose of the payment in question, rather than saying she was making an investment, Ms M instead said she was transferring money to her Wise account because she needed immediate access to multiple currencies as she had family overseas. The agents also asked whether any third parties were instructing her in any way, to which she answered 'no'.

On balance, I think it's likely that if Ms M had been asked similar questions by Wise on the same day that she'd have answered in much the same way. If she'd said she was making an international transfer because she had family overseas, I think that would reasonably have seemed plausible. And if she'd also said no one was guiding her, that would also have reduced any concern she was being scammed. I'm conscious the payments weren't going to cryptocurrency and, based on the information Ms M gave her bank, there wouldn't have been any reason for Wise to think she may be falling victim to an investment scam or to provide warnings about this type of fraud. Instead, I think they'd have been entitled to believe that if a scam was occurring, it was most likely to be an impersonation or safe account scam and that this was the type of warning that was required. The bank did warn Ms M about these types of scam and that didn't stop her from wanting to go ahead with the payment.

The success of any fraud intervention by Wise would have depended to some extent on Ms M providing accurate information about the payment she was making. If she'd have explained she was making an investment and that someone was guiding her, I'd have expected Wise to ask further questions that may well have uncovered the scam. But in much the same way as she did when her bank asked similar questions, I think it's likely she'd have again hidden what was really going on. A full history of Ms M's communications with the scammers hasn't been provided, but it seems likely she was following their advice when she answered the bank's questions in the way she did. But whatever her reasons, I do think that hiding the real purpose of the payment only served to hamper the bank's efforts to protect her and would have had a similarly limiting effect on any intervention from Wise.

There is an argument that Wise should also have intervened in at least one of the later payments as well. But I've no reason to think Ms M would have been any more open about what she was really doing than either. Her representative has explained in some detail why she believed the scheme was genuine and the communications with the scammers that have been provided appear to show that belief continued throughout the time she was sending money to it.

I want to be clear that it's not my intention to suggest Ms M is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Wise and, having done so, I'm not persuaded these were the cause of her losses.

I've also noted the comments of Ms M's representative 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 her foreseeable harm, I don't think its actions (or failure to act) were the cause of the harm she suffered, nor do I think that harm was reasonably foreseeable given the information that would likely have been available to it if it had intervened.

Recovery of funds

Ms M isn't entitled to any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as she made the payments to an overseas account. Nonetheless, I have considered whether Wise could or should have done more to try and recover her losses once it was aware that the payments were the result of fraud.

I understand Ms M first notified Wise of the scam in July 2025, more than three months 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. The recovery of international payments is also more difficult because permission is normally required from the recipient account holder and it's unlikely this will be successfully obtained where those payments are 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 recovered successfully after this period of time.

In conclusion

I recognise Ms M has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Wise would have made a difference to the eventual outcome 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 X to accept or reject my decision before 11 March 2026.

James Biles
Ombudsman