

The complaint

Mr S complains that Wise Payments Limited ('Wise') won't refund the money he lost after falling victim to a scam.

What happened

Mr S was contacted via a messaging app by someone who offered him an online job, posting reviews of hotels. He was required to complete sets of tasks and would receive commission for each set completed. Unfortunately, this was a job scam.

Mr S made the following payments from his Wise account as part of the scam.

Date	Pmt	Details of transaction	Amount
31.7.2023	1	Payment to R – an individual	£1,626
31.7.2023	2	Payment to M – an individual	£3,603
31.7.2023	3	Payment to M – an individual	£2,693
31.7.2023	4	Payment to M – an individual	£4,200
31.7.2023	5	Payment to M – an individual	£4,500
31.7.2023	6	Payment to M2 – an individual	£3,200
31.7.2023	7	Payment to M3 – an individual	£4,700

Ultimately, when Mr S was asked to transfer more money to withdraw his earnings, he realised it was a scam.

Mr S reported the fraud to Wise, asking that they refund him. Wise said they should have intervened on payment four and refunded 50% of Mr S's loss from payment four onwards. But Wise withheld the other 50% saying Mr S should've completed checks before making the payments.

Mr S was unhappy with Wise's response, so he brought a complaint to our service.

An investigator looked into his complaint and initially agreed with Wise that it was appropriate for them to refund 50% from payment four. However, after further review, the investigator changed their opinion and recommended that Wise also refund 50% of payment three. The investigator felt Wise should've been concerned when the third payment was made and, had they intervened, the loss would've been prevented from that payment onwards. However, the investigator agreed that it was fair for Mr S to share responsibility for his loss with Wise.

Mr S disagreed with the investigator's first view but accepted the recommendation of the revised view. Wise disagreed and raised the following points, asking that an ombudsman review the case:

- Wise's intervention was proportionate based on the transaction amounts, velocity and the customer-provided information.
- All of the payments triggered scam warnings, and it wouldn't be appropriate for

additional questioning until payment four.

- Wise don't agree that earlier intervention would've changed the outcome of this case.

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.

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, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mr S authorised these payments, although he did so not realising he was the victim of a scam.

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Wise should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Wise to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice all banks and EMIs do.

When should Wise have intervened?

I agree with Wise that it was proportionate for them to intervene on the first two payments, ask Mr S the reason for the payments, and provide an onscreen warning. Mr S selected "sending money to friends and family" as the payment purpose, so the onscreen warning wasn't relevant to the scam he had fallen victim to and didn't prevent these payments from being made. But I can't say Wise was at fault here.

However, when Mr S made payment three, he was sending nearly £8,000 in a short space of time, to two new payees. The payments pattern and the total value was unusual and out of character for Mr S's account and Wise should've been concerned.

If Wise had contacted Mr S and asked the reason for the payments, I'm not satisfied that the onscreen selection of "friends and family" would've made sense as he was sending the second payment to the same payee in a very short period of time and I don't think he would have provided a plausible explanation for this.

If Wise had asked Mr S open and probing questions, I think it's more likely than not Mr S would've told them that he was transferring funds in relation to a job he'd been offered. This should've concerned Wise and indicated that Mr S was most likely the victim of a job scam. And, had Wise explained what a job scam is, that Mr S wouldn't have continued making the payments.

The warnings Mr S had seen onscreen weren't relevant to a job scam, and I have no reason to believe that Mr S wouldn't have taken a verbal warning from Wise seriously, once they explained how a job scam operates. Mr S couldn't afford to lose these funds, and I'm satisfied that better intervention on payment three would've prevented his loss.

It's also unclear why Wise think that intervention at payment four would've prevented the loss, but not at payment three. As the questions they would've asked would've been the same. But, for the reasons already given, I'm satisfied that intervention on payment three would've prevented Mr S's loss.

On that basis, Wise should refund Mr S from payment three onwards. But I have to also consider whether Mr S could've mitigated his loss.

Should Mr S share responsibility for his loss with Wise?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

I'm satisfied that it would be fair for Mr S to share responsibility for his loss with Wise, for the following reasons:

- Mr S was contacted out of the blue by someone offering him a remote job. I can't see that Mr S was given any paperwork or documentation relating to employment, which he should've expected from a genuine organisation. Also, the wage that he was offered in comparison to the time commitment that was expected was too good to be true and should've concerned him.
- Mr S believed he was making payments to merchants as part of his role reviewing hotel rooms for companies. So, he should've been concerned that he was sending money to individuals and not the companies involved. Also, he should've been worried about being asked to send so much money in such a short period of time as part of his employment.

I'm satisfied that there were enough warning signs that Mr S should've been concerned about the legitimacy of what he was being asked to do. If he had completed basic checks, like contacting the supposed employer, he would've uncovered the scam. So, it's fair for the refund to be reduced by 50% from payment three onwards.

As Mr S has been without the use of these funds, Wise should also pay simple interest of 8% per year from the date of each payment (from payment three onwards) until the date of settlement.

Putting things right

To put things right I require Wise Payments Limited to:

- Refund 50% of Mr S's loss from payment three onwards. If Wise have already paid Mr S the 50% refund from payment four onwards, they only need to refund 50% of payment three.
- Pay simple interest of 8% per year on the refunds from payment three onwards, calculated from the date of each payment to the date of settlement.

My final decision

My final decision is that I uphold this complaint against Wise Payments Limited and require them to compensate Mr S as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 February 2026.

Lisa Lowe
Ombudsman