

## The complaint

Ms C is complaining about Wise Payments Limited trading as Wise because it declined to refund all the money she lost as a result of fraud.

## What happened

Sadly, Ms C fell victim to a cruel investment scam after responding to an advert she found online. Once in contact with the scammers she was set up with an account on a fake platform where she was able to view trades being made and profits generated. She later realised it was a scam when she wasn't able to withdraw her money.

In making her complaint, Ms C has referred to the following international payments from her Wise account:

No.	Date	Amount	Method
1	10 April 2025	£4,000	Card
2	14 April 2025	\$6,943 SG (= approx. £4,000)	Transfer
3	15 April 2025	£10,000	Transfer
4	24 April 2025	£7,500	Transfer
5	25 April 2025	£9,200	Transfer
6	25 April 2025	£800	Transfer
7	28 April 2025	£5,000	Transfer

In response to Ms C's complaint, Wise accepted it should have done more to question payment 3. But it felt liability for the subsequent loss should be shared equally between Ms C, Wise and the bank she used to send money to Wise. In an attempt to put things right it refunded one-third of payments 3 to 7.

Our investigator didn't recommend the complaint be upheld. He didn't think further intervention by Wise would have stopped Ms C from going ahead with the payments and didn't recommend it make any further refund.

Ms C didn't accept the investigator's assessment and made the following key points:

- The investigator's conclusion that Wise ought to have intervened is a material finding that establishes it fell short of the expected standard. By making a partial refund, Wise accepted this.
- To conclude further intervention by Wise wouldn't have stopped her making the payments is speculative and her coached responses shouldn't be seen as evidence to support that view. Each firm is required to assess risk based on the activity it sees at the relevant time. Evidence that other banks were misled does not negate Wise's obligation or demonstrate that its intervention would necessarily have failed.
- It's accepted that Wise ought to have intervened. The conclusion that the failure to do so didn't cause her loss applies an overly strict and speculative test of causation. The

correct question is whether Wise's failure materially increased the risk of loss, not whether it can be proven that intervention would have uncovered the scam immediately. Had Wise delayed, blocked, or escalated the payments at the appropriate point, this would have disrupted the scam and reduced the losses that followed.

- The investigator placed too much weight on shortcomings in her own due diligence and research.
- Some of the money she lost was part of an inheritance. This is a one-off sum that can't be replaced and its loss has had a lasting financial and emotional impact.

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. Ms C has provided extensive submissions in response to the investigator's assessment and I confirm I've read these carefully. 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.

In the context of this complaint, an '*authorised*' payment is essentially one where the customer gave an instruction to make a payment from their account. In other words, they knew money was leaving their account, irrespective of where that money actually went. There's no dispute that Ms C took the steps necessary to make these payments. I appreciate she was deceived by the scammers when she did so, but I don't think there's evidence to support the conclusion that she was somehow incapable of making her own decisions or that Wise should have been aware that could be the case. So I'm satisfied the payments were authorised.

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. 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 C.

#### *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'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious. Finally, I need to consider Wise's responsibility to make payments promptly.

Having considered what Wise knew about payments 1 and 2 at the time, I'm not persuaded it ought to have been particularly concerned. The amounts involved weren't so large that they should have appeared suspicious and as only two payments had been made at this point, I don't believe a pattern of multiple, rapid and increasing payments consistent with many known scams had begun to emerge. In the circumstances, I don't think there were sufficient grounds for Wise to suspect Ms C was at risk of harm from fraud when she made these payments and I can't reasonably say it was at fault for processing them in line with her instructions.

Payment 3, however, was for a much larger amount and followed quickly after payments 1 and 2. In line with what Wise and the investigator have already concluded, this is the point at which I believe Wise should have identified Ms C was at risk of harm from fraud. In view of the risks this payment presented I think a proportionate response would have been for Wise to find out more about the circumstances surrounding the payment, most likely by speaking to her on the phone or via an online chat.

While there's no dispute Wise should have intervened before processing payment 3, to conclude any part of it or the following payments should be refunded I'd also need to satisfied an appropriate intervention would have stopped Ms C from going ahead. I've considered this point carefully and reached a conclusion on what I think would most likely have happened based on the balance of probabilities.

The evidence I've seen indicates Ms C wouldn't have told Wise the money was ultimately destined for investment or otherwise provided accurate information in response to its questions. I say this for the following reasons:

- During a call with her bank on 10 April about a payment she attempted to send to Wise in connection with the scam, Ms C told the agent she'd shortly be travelling and needed access to money in various currencies. She also said she hadn't been speaking to anyone else about the payment.
- Another bank has provided evidence that it also asked about some of the payments Ms C sent to Wise in connection with the scam. Again, rather than disclosing that the money was for an investment, she said she needed it for travel spending.
- When applying for the loans that funded some of her payments to the scam, the lenders have all confirmed that Ms C incorrectly stated the purpose of the loan was '*home improvements*'. One of them also says it spoke to her on the phone and she specifically said the money would be used on her kitchen, sitting room, and possibly the garden.
- The history of Ms C's text chats with the scammers indicates she was in contact with them at the time she was making various payments to the scam and was taking advice on how to answer the questions she was being asked. By her own admission, Ms C was coached by the scammers and I think it's unlikely they'd have told her to say she was making an investment as they would have known that could lead to the scam being uncovered.

The success of any fraud intervention depends to some extent on the customer being truthful about the payments they're making. As I've said, I think the evidence indicates Ms C wouldn't have disclosed she was making an investment if she'd been asked about payment 3. And I don't think there was anything particular about it that should have prompted the Wise to identify that was the case unless it was told. So, in the circumstances, I don't think it's reasonable to conclude Wise failed because it didn't realise Ms C was falling victim to an investment scam and provide specific, tailored warnings that might have opened her eyes to that fact.

Even if Wise had somehow identified the payment was likely linked to an investment scam, I don't think it's clear that Ms C would have been persuaded of this and decided not to go ahead with the payment. In making her complaint, the solicitors that originally represented her set out in some detail what was described as '*several compelling reasons*' why she was convinced the scheme was genuine. These included that:

- she carried out due diligence online and found only positive reviews that portrayed the platform as credible and trustworthy and suggested that others had successfully engaged with it and were satisfied with the results;
- the scammers cleverly mentioned high-profile figures, leveraging their names to lend credibility and prestige to the scheme;
- the scammers also established frequent and friendly communication, which helped build rapport and foster trust; and
- the scammers told her about their investment successes and this served to reinforce the notion that the scheme was genuine and lucrative.

So it appears Ms C was heavily under the influence of the scammers. I think this is further evidenced by the chat history provided that appears to show she was being closely guided through the process of making various payments. The representative also referred to Ms C's previous experience of trading activities, saying this meant she '*felt somewhat confident in navigating investment prospects*'.

It's for these reasons that I don't believe further intervention by Wise is likely to have been successful in opening Ms C's eyes to the scam and preventing further losses. And even if it had gone further and declined the payment altogether, which I don't think was necessarily warranted in this case, I think it's likely Ms C would have found another way to send her money to the scammers as she did when her bank declined the payment to Wise on 10 April, after which she instead transferred the money to her account with a second bank and moved it to Wise from there.

I want to be clear that it's not my intention to suggest Ms C 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.

### *Recovery of funds*

Ms C isn't due any refund under the industry's reimbursement scheme for authorised push payment (APP) fraud as the transfers were sent to overseas accounts. The correct approach for recovering the card payment is the chargeback scheme but I don't think a chargeback

claim would have been successful as the rules don't normally cover payments made for investment purposes.

I also understand Ms C didn't report the scam to Wise until a few weeks after the last payment was made. 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, meaning any recovery attempt after this period was never likely to be successful. 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 Ms C's money being recovered successfully.

#### *Wise's attempts to put things right*

I appreciate Ms C may feel that Wise should reimburse her payments in full from the point where it's accepted it should have intervened. But even if I were to conclude an intervention before payment 3 left her account would have prevented the losses from that point, I'd also need to consider whether Ms C should bear any responsibility for her loss.

I've considered the evidence carefully to decide what would be fair and reasonable in the circumstances. While I accept Ms C believed these payments were being made in connection with a legitimate investment opportunity, I'm not persuaded that belief was a reasonable one.

Firstly, I note the potential returns advertised by the scheme were extremely high and I think she should reasonably have questioned whether this was too good to be true. In addition, I think she should have questioned whether a legitimate company would have told her to mislead other financial institutions if they asked about the payments she was making, or encourage her to take out loans and mislead the lenders about their purpose also.

In the circumstances, I think Ms C ought to have proceeded with great caution. If she'd carried out further research, for example online searches, I think she'd have discovered her circumstances were similar to those commonly associated with investment fraud. With that in mind, and in recognition of Ms C's own contribution to her loss, I wouldn't recommend Wise refund any more than 50% of her losses even if I were to conclude an appropriate intervention would have uncovered the scam.

In this case, however, it's my view that appropriate intervention from Wise most likely wouldn't have prevented Ms C's losses. On that basis, I'm satisfied it's agreement to refund one-third of the losses is a fair and reasonable settlement to the complaint.

#### *In conclusion*

I recognise Ms C 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 an appropriate intervention from Wise would have made a difference to the eventual outcome and I won't be telling it to make any further 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 Ms C to accept or

reject my decision before 9 April 2026.

James Biles  
**Ombudsman**