

## The complaint

Mr C complains that Wise Payments Limited (Wise) is refusing to refund him the amount he lost as the result of a scam.

Mr C is being represented by a third party. To keep things simple, I will refer to Mr C throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr C had been talking to an individual I will call "X" for around 1 year, who he had met in person at social events. X introduced Mr C to an investment opportunity with another person I will call "Y" in a company I will call "Z".

The investment was in relation to luxury footwear with Z, which was a brand based in Dubai.

Mr C made payments in relation to what he thought was a genuine investment opportunity but didn't receive the returns he was expecting. Mr C then realised he had fallen victim to a scam when he was alerted by someone else also involved in the investment.

Mr C has disputed the following payments made in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	11 February 2024	Y	International Transfer	£25,000
2	25 March 2024	Y	International Transfer	£1,500
3	25 March 2024	Y	International Transfer	£13,500

Our Investigator considered Mr C's complaint and didn't think it should be upheld. Mr C disagreed, so this complaint has been passed to me to decide.

## 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.

The evidence provided by both Mr C and Wise sets out what happened. What is in dispute is whether Wise should refund the money Mr C lost due to the scam.

### *Recovering the payments Mr C made*

Mr C made payments into the scam via international transfer. When payments are made by international transfer Wise has limited options available to it to seek recovery.

In my experience scammers usually move funds on as soon as they are received. Considering the time that passed between Mr C making the disputed payments, and

reporting them to Wise, I don't think it was unreasonable that Wise didn't attempt to recover the funds from the receiving bank, as it's most likely the funds had been removed by that time.

*Should Wise have reasonably prevented the payments Mr C made?*

It has been accepted that Mr C authorised the payments that were made from his account with Wise, albeit on the scammer's instruction. So, the starting point here is that Mr C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Wise should have been aware of the scam and stepped into question Mr C about the payments he was making. And if it had questioned Mr C would it have been able to prevent the scam taking place.

The first payment Mr C made in relation to the scam was significant in value and was being made internationally. I think given the overall risk associated with this payment Wise should have had concerns that Mr C was at risk of financial harm and it should have intervened.

I think an appropriate intervention would have been for Wise to have discussed the payment with Mr C to gain an understanding of what the payment was in relation to, and to have provided appropriate warnings if necessary. But I don't think that an intervention like the one I have explained would have made a difference. I will explain why.

Had Wise intervened in the way I have said it should have, I think it's most likely Mr C would have provided an honest explanation as to what the payment was in relation to and Wise would have found that Mr C was investing on the advice of a friend he had known for over a year, that he had seen in person and talked to on a regular basis.

The investment was not in relation to cryptocurrency investment but instead in a business that specialised in luxury footwear in Dubai.

Mr C would also have explained he had various documents showing the legitimacy of the business, a signed contract and that he'd visited Dubai where he had discussed the investment in person.

I would not have expected Wise to have investigated the investment company or the individuals involved. And with the above in mind, I think it's very unlikely that having spoken to Mr C, Wise would have had any reasonable concerns in processing the payment.

So overall I don't think Wise missed an opportunity to prevent Mr C's loss, meaning it would not be reasonable for me to ask it to refund the disputed payments.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 March 2026.

Terry Woodham

**Ombudsman**