

The complaint

Mr D has complained that Wise Payments Limited trading as Wise (“Wise”) will not refund the money he lost as the result of a scam.

What happened

Both parties are familiar with the details of the scam, so I will provide only a summary here.

Mr D was contacted via email and was told that a crypto firm had found an old investment that Mr D had made and it was now worth over £85,000. The crypto firm was actually a scammer that I will call “B”. He was told by B that he had to open an account with Wise. He says that B opened the account with Wise for him using remote access software.

He was then told that Wise had received the proceeds of the old investment, but he would have to pay a series of fees to release the funds.

Mr D subsequently sent funds to Wise. The funds were then sent to a crypto exchange via debit card payment, totalling over £11,000. The funds were then exchanged into crypto, which was sent onto B.

Mr D made the following payments

Transaction Number	Amount	Date	Payment type
1	£2,000	6 October 2023	Card Payment
2	£2,323	10 October 2023	Card Payment
3	£3,395.98	11 October 2023	Card Payment
4	£1,627.11	12 October 2023	Card Payment
5	£240	12 October 2023	Card Payment
6	£2,370	13 October 2023	Card Payment

Mr D realised that he had been scammed when he did not receive the promised funds.

One of our investigators looked into this matter and he upheld this complaint in part. He thought that Wise should have intervened during payment 3 and therefore Mr D should receive a refund of transactions 3,4,5,6. But he thought that Mr D was equally liable for his loss and therefore, the amount refunded should be reduced by 50%.

Wise agreed with this, but Mr D did not agree. Initially, he stated that he did not authorise the payments. But then, when the investigator challenged this by showing that the payments were 3DS authorised, Mr D did not challenge this point any further. But he did say that a 50% reduction was not merited, as the scam was plausible given the rise in price of Bitcoin.

As Mr D didn't accept the investigator's conclusions, the matter was referred for an ombudsman's 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 will briefly address whether the payments were authorised by Mr D, as it now seems that he accepts that he made the payments. The payments in question were 3DS authorised, using Mr D's mobile phone. So I am satisfied that he was aware that the payments were being made. I also can see that he received e-mails about the payments as well. So I am satisfied that he authorised the payments.

It's also accepted that Wise has an obligation to follow Mr D's instructions. So, in the first instance Mr D is presumed liable for his loss. But there are other factors that must be considered.

I've considered whether Wise should have done more to prevent Mr D from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance, I can see that on 11 October 2023, Mr D made a payment of £3,395.98 to a crypto exchange. In my opinion, this payment was large enough to have prompted an intervention from Wise.

I think a proportionate intervention would have been for Wise to contact Mr D and ask him about the payments and provide a written warning, tailored to the answers provided by Mr D.

I think that Wise would have found out that Mr D had been contacted out of the blue by a crypto recovery firm and that he was going to receive a large sum if he paid funds for its release and the funds that he had to pay were apparently being requested by Wise itself. It would further have discovered that Mr D had to then send the fees requested by Wise to a crypto firm and then on to an external wallet.

Based on this, I think that Wise could have provided a warning that Mr D was almost certainly being scammed. I think that Mr D would not have gone ahead with the payments had Wise provided Mr D with such a warning during an intervention.

I've considered carefully whether Mr D should hold some responsibility for his loss by way of contributory negligence. In this instance, the investigator asked Mr D to provide details of the previous investment that Mr D was contacted about. In response, Mr D said he talked to a friend 10 years ago about bitcoin and Mr D then opened a crypto account. Mr D couldn't recall if he went on to invest into Crypto after he'd opened an account, but his friend was under the impression that he could have done so. So when he saw the email, he believed that he may have invested a small amount a number of years back and that it had grown to the amount the scammer claimed.

I don't think it is reasonable to have paid over £10,000 in a series of fees, without knowing for certain that he had ever purchased crypto. Moreover, I find it implausible that it was reasonable for Mr D to have believed his own current account provider needed him to pay fees to release the funds and that these fees needed to be sent from his current account to a crypto exchange converted into crypto and then sent to an external wallet.

Finally, a simple search on the internet regarding the use of a 'crypto recovery firm' that asks for money, comes up straight away that it is almost certainly a scam.

So overall, and having considered everything, I think that Mr D contributed to his own loss. Therefore, I feel that it would be appropriate to reduce the amount of compensation due to Mr D by 50%.

I have thought about whether Wise could have recovered the funds. But the Contingent Reimbursement Model ("CRM") does not apply to card payments and Wise are not signatories of the CRM either. So I don't think Mr D can be reimbursed for his loss under the CRM. Also a chargeback would not have been successful as the payments were a means to send funds from the Wise account to the crypto account and that is what happened.

Putting things right

I uphold this complaint in part and require Wise to do the following:

- Refund 50% of the transactions Mr D lost to the scam from, and including, the payment of £3,395.98 on 11 October 2023.
- Add 8% simple interest annually on those sums, from the date they were paid to the date of settlement, less any tax lawfully deductible.

My final decision

I uphold this complaint in part and require Wise Payments Limited trading as Wise to pay Mr D the redress outlined above, to put matters right in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 March 2026.

Charlie Newton
Ombudsman