

The complaint

Mr Y complains that Wise Payments Limited (Wise) won't refund all the money he's lost as a result of a safe account impersonation scam.

What happened

The detailed background to this complaint is well known to both parties and the following is a summary of what happened.

On 17 July 2025, Mr Y received a (fake) email he believed to be from a well-known retailer (Retailer B) which said he would get a free gift if he completed a survey. After completing the survey and selecting a gift he entered his card details to pay the shipping cost.

The next day (18 July 2025), Mr Y received a call from a man (the scammer) claiming to be from his main bank – Bank B. He informed Mr Y that Retailer B's email was fake, and a phishing attack, and his Bank B accounts had been compromised.

Mr Y believed the scammer was a Bank B employee as he sounded professional and knew his address and account details. He explains that everything happened very fast and it was only after Mr Y had been scammed that he realised this was because he'd entered his account information for the prize shipping cost.

On a call that lasted approximately two hours the scammer:

- Asked Mr Y if he had another account so that he could move his funds and Mr Y said he had a Wise account.
- Then persuaded him to move funds (which totalled £12,183.89) out of his Bank B (personal and business) accounts to his Wise account.
- Then told him that his Wise card details had also been compromised and persuaded him to authorise the payments in the following table, totalling £11,340.11, to an external safe account which would then be paid back to Bank B.

Payment Number	Date	Time	Payment Method	Payee	Amount
1	18/7/25	7.18pm	Debit Card	Company L	£2,400.00
2	18/7/25	7.25pm	Debit Card	Company L	£2,350.00
Sub-total				Company L	£4,750.00
3	18/7/25	7.27pm	Debit Card	Company L	£2,210.00
4	18/7/25	7.30pm	Debit Card	Company L	£1,980.00
5	18/7/25	7.54pm	Debit Card	Company I	£2,400.11
Total					£11,340.11

Mr Y authorised these five payments to foreign exchange companies - Company L and Company I. The scammer then asked Mr Y about accounts his family had and also wanted

to secure these. Mr Y says that this is when he realised it was a scam and he discontinued the call and immediately reported the scam to Wise to initiate a recall.

When Mr Y was informed that Wise couldn't recover his funds he complained to them.

Wise explained they couldn't stop the pending payments and that the Payment Systems Regulators reimbursement scheme didn't apply. However, they said they would provide Mr Y with a partial payment of £1,647.52, which is 25%* of payment 3, 4 and 5, plus interest, as they felt:

- More due diligence on his side would've made him notice the risks and helped him to protect himself from falling victim to the scam.
- They also could've done more (on payments 3,4 and 5) to prevent his loss.

*The 25% is because they think liability should be shared three ways between them, Mr Y and Bank B.

Mr Y hasn't complained to Bank B (but is now considering this) and as he was dissatisfied with Wise's resolution he brought his complaint to our service.

Our investigator said that Wise should've put a stronger intervention in place at payment 3 and that this would've likely unravelled the scam and stopped Mr Y's loss from this point. And as she didn't think there was contributory negligence, she said they should provide a full refund for payment 3, 4 and 5 plus interest.

It isn't clear if Mr Y accepts this but Wise disagreed. Their reasons included the following:

- All impersonation scams are sophisticated and *'The point of an impersonation scam is to get the victim to believe they are genuine and make them take action urgently and without question. But this doesn't automatically mean that all impersonation scams should be upheld'*.
- They did react to the unusual payments and Mr Y would've seen warnings which explained it was likely to be a scam.
- Mr Y misled them, saying the money was for something else and confirmed that he was making the payment.

So, this complaint has been passed to me to look at.

I issued a provisional decision on 16 January 2026, and this is what I said:

What I've provisionally 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, my provisional decision is also to partially uphold this complaint. But it is different to our investigator's view, as I think I think the refund amount should be split 50/50, and I'll explain why.

I should first say that:

- *I'm very sorry to hear that Mr Y has been the victim of this cruel and distressing scam and lost a significant amount of money here.*
- *In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.*
- *I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen*

victim to an APP scam, don't apply here because the payments were made by card.

- *Regarding recovery, I'm satisfied Wise attempted to recall the payments and card chargeback rules don't cover scams.*
- *The Payment Services Regulations 2017 (PSR), FCA's Consumer Duty and Banking Protocol are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks and Electronic Money Institutes (EMI's) should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mr Y made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank or EMI should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks and EMI's do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Wise should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *Have systems in place to look for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.*
- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Consumer Duty

Also, from July 2023 Wise had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Wise was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Wise was also required to look out for signs of vulnerability.

Wise don't dispute they should've done more from payment 3 and that this may have prevented Mr Y from losing £6,590.11 (the total of payments 3,4 and 5). Although I agree with this, as, at the point of payment 3, it was both highly unusually and concerning for Mr Y to make three successive large payments in just nine minutes, I first considered:

Whether Wise should've recognised that Mr Y was at risk of financial harm from fraud at an earlier point and intervened on either payment 1 or 2?

Mr Y had only briefly used his account, and Wise didn't have information on his spending pattern. However:

- They knew he set up an account to make payments abroad.
- Due to the payment being for a new payee, before processing payment 1, they first declined it (due to their card processing time pressure) and then to protect Mr Y from financial harm they required him to use their electronic fraud prevention system which provide dynamic warnings for him to read and asked him to answer risk questions.

Considering the above bullet points, the amounts weren't significantly large, the balance that Wise has to strike when releasing payments and that Wise process thousands of payments each day and is an EMI (and not a bank) whose primary purpose is to send payments worldwide, I don't think it would be fair or reasonable to say that Wise were at fault for releasing these two payments.

Having established that payment 3 is the correct point for a refund to be issued I then considered:

Whether Mr Y should bear any responsibility for his loss?

In considering this question, 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.

The concept of contributory negligence centres around whether or not a consumer should have done something to mitigate their losses or should share some responsibility for them.

I've thought about whether Mr Y did enough to protect himself from the scam.

I understand there were sophisticated aspects to this scam with the Retailer B email giving the scammer some of Mr Y's Bank B details and a pretext to present an immediate risk. I also recognise that Mr Y was acting under the fear of losing all his money, the amounts involved were high to him and the scammer was very persuasive and deliberately placed pressure on him to act swiftly.

However, even when considering these circumstances, I agree with Wise's point that 'more due diligence on his side would've made him notice the risks and helped him to protect himself from falling victim to the scam'.

I say this because Mr Y explains that he realised it was a scam when he told the scammer he and a family member had a building society account(s) (with Building Society N) and the scammer told him the account(s) needed to be secured. But I think there were some earlier indications that either on their own or combined should've raised red flags and made him pause, such as:

- The scammer made out he worked for Bank B so there were questions about how the scammer could've:
 - Known Mr Y's Wise account was at risk as, like with his Building Society N request, it was Mr Y who told the scammer he had a Wise account when he asked him if he had another account.
 - Has control or influence over the money Mr Y was transferring to Company L and Company I to be able to return it to him.
- Wise issued strong warnings at two payment points including payment 1. These initially said:

- *'This could be scam' (written in bold).*
- *'It looks similar to other reported scams' 'even if they say they are from Wise'.*

Then they asked him to select a payment reason which included 'moving money for safekeeping' and importantly, to mitigate the risk of a scammer telling him what to say, which was the case here, Mr Y was:

- *Asked 'Did someone tell you to choose that answer?'*
- *Shown a bold caption saying, 'Only a scammer would tell you which option to pick'.*
- *Asked if he answered, 'accurately to keep your money safe'.*

Although I genuinely empathise with his financial loss and distressing experience and appreciate the pressure he was made to feel, I think Mr Y could've challenged some concerning aspects and that there were sufficient red flags from Wise to cause him to pause and select the correct 'I've been told how to answer' risk mitigation field.

So, regarding Mr Y's claim for a refund, although Wise were at fault for not intervening at payment 3, I think it would be fair and reasonable for liability to be equally split between Mr Y and Wise.

I understand why Wise think Bank B, who in response to an enquiry have confirmed they didn't intervene, should also make an equal contribution. However, currently Mr Y hasn't complained to them and neither Bank B or our service has investigated and determined that they have done anything wrong.

So, unless Mr Y now decides to complain to Bank B and there is agreement from him and Wise to delay a final decision, I must apply our approach which is a 50/50 split.

My provisional decision

For the reasons mentioned above, my provisional decision is to partially uphold this complaint against Wise Payments Limited, and I require them to:

- *Provide Mr Y with a refund of 50% of his loss from payment 3. This is £3,295.06.*
- *Deduct any amounts already paid – which appears to be £1,647.52.*
- *Pay 8% simple interest on payments 3 to 5 from date of loss to date of settlement.*

This is subject to any comments that either Wise Payments Limited or Mr Y may wish to make.

These must be received by 30 January 2026

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.

Further to my above provisional decision, with a deadline of 30 January 2026, I only received a response from Wise. Wise said:

- *'In the absence of a linked complaint against the other bank, we accept your provisional decision.*
- *However, we kindly ask you to confirm Mr. Y's intentions regarding a potential claim*

against Bank B to ensure that all relevant parties have been fully considered'.

So, as no further arguments or evidence have been produced in response to my provisional decision, and Mr Y hasn't commented or submitted a complaint against Bank B, my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

Putting things right

To put things right, I require Wise Payments Limited to:

- Provide Mr Y with a refund of 50% of his loss from payment 3. This is £3,295.06.
- Deduct any amounts already paid.
- Pay 8% simple interest on payments 3 to 5 from date of loss to date of settlement.

My final decision

For the reasons mentioned in my above provisional decision, my final decision is to partially uphold this complaint against Wise Payments Limited, and my requirements are detailed in the Putting Things Right section of this final decision paper.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 4 March 2026.

Paul Douglas
Ombudsman