

## **The complaint**

Mr R has complained that Wise Payments Limited won't refund money he lost to an investment scam.

## **What happened**

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision. In summary, Wise had already accepted that it ought to have done more to prevent Mr R's losses. Prior to Mr R referring his complaint to our service Wise agreed to refund him £3,342.26 this reflected 50% of the loss from payment 8 for £5,760 made on 10 June 2025, as well as 8% interest. Mr R didn't agree, he felt that all transaction should be considered.

Our investigator recommended that Wise refund from payment seven (£2,770 made on 9 June 2025). She said not only was £2,770 the highest payment he had made since August 2024, there was also a pattern emerging which indicated a risk of financial harm. However, she also agreed that liability should be shared between both parties. So, she said, to settle the complaint Wise should pay 50% of payment seven and add simple interest of 8% to the refund from the date of the payment until the date of settlement, taking into consideration Wise had already refunded 50% from payment eight.

Wise accepted the recommendation our investigator made but Mr R disagreed and still maintained all payments should be refunded. So, the complaint was passed to me to consider.

## **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 agree with the investigator's findings for broadly the same reasons, I will explain why.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr R authorised the payments from his Wise account. Therefore, under the Payment Services Regulations and the terms of his account, Wise is expected to process Mr R's requests, and he is presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in June 2025 that Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had 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). This is

particularly so given the increase in sophisticated fraud and scams in recent years, which firms 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, or provided additional warnings, before processing a payment – (as in practice Wise sometimes does);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Both parties agree that Wise ought to have intervened and that an proportionate intervention would have uncovered the scam, therefore I won't discuss this point further as it is not in dispute.

However, at which point Wise ought to have intervened is what is in dispute, so I will focus my findings on this point. Mr R feels Wise should refund all disputed payments. Having considered the transactions along with Mr R's account activity, I disagree. Mr R opened his account with Wise on 2 December 2022 and has used the account regularly since that point. I'm satisfied it wouldn't be reasonable to expect Wise's systems to have been triggered by payments one to six. I say this because, the amounts in question ranged between £6 and £967 with four of the six transactions being under £100. So, the amounts in question here were neither remarkably large or significantly uncharacteristic of Mr R's usual spending. I have also considered where the payments were made to; and there were no suspicious circumstances surrounding this either (an account in Mr R's own name). Consequently, I don't think Wise could reasonably have known that these payments were subject of a scam. The payments were not significant enough to have triggered its systems; nor were there sufficient grounds to justify delaying the payments.

Wise has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day, and it would not be possible or reasonable to expect an EMI to check each one. As I mentioned above, while I don't doubt the payments represented a lot of money to Mr R, they are of values which I don't think would have appeared so suspicious or unusual to Wise, when compared with other payments that it processes daily. So overall I don't consider the payments Mr R made to have been remarkable enough to have warranted Wise to act and have contacted Mr R ahead of processing them.

However, by payment seven, made on 9 June 2025 of £2,770, a pattern had begun to emerge. Mr M had made six payments in relatively quick succession. The value of the payments had increased (and this was the biggest payment he had made on the account in the last six months). So, I think it is reasonable to conclude that there were some hallmarks of a scam which warranted an intervention from Wise. And if it had done so, the scam would have been unveiled. So, from this point (payment seven) Mr R's losses would have been prevented. Wise has accepted this position after the investigator issued her opinion, as such I won't elaborate further.

So, I've considered whether Mr R should share any liability for the loss. 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. Overall, I do think it's fair to expect Mr R to share liability equally with Wise from payment seven. I'll explain why. There were several red flags which I consider Mr R ought to have been concerned about.

- Firstly, Mr R was contacted out of the blue and I consider he ought to have

considered this point given the fact he hadn't expressed or registered any interest prior to being contacted.

- He hadn't invested like this before or completed tasks to get paid and hadn't validated the authenticity or legitimacy of any of the individuals he spoke with he checked the 'investment opportunity' or 'job opportunity' was legitimate.
- Considering the large sums of money, he was being encouraged to deposit and his limited experience, he sought no independent advice from anyone outside of the scammers.
- There were no contracts or agreements provided by the company, even if their activity was based solely online, there should still have been some formal agreement for the employment, which you'd expect from a legitimate employer, and based his belief on limited information provided.

I do accept that there may have been elements to the scam which appeared sophisticated. However, I do think there were some red flags Mr R ought to have picked up on. For the avoidance of doubt, it is not my finding that Mr R knew that he was likely falling victim to a scam and went ahead anyway. But I do think based on some of the information available to him that there was a possibility something wasn't right, or that he might not recover his money. In those circumstances it would not be fair to require Wise to compensate him for the full amount of his losses.

I've concluded, on balance, that it would be fair to reduce the amount Wise pays Mr R because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

### **Putting things right**

For the reasons I have explained above, I feel Wise ought to have recognised that Mr R might have been at risk of financial harm from fraud when he made Payment seven of £2,770 and, in those circumstances, it should have declined the payment and made further enquiries.

So, it follows that I think it's reasonable Wise should pay Mr R:

- 50% of all payments from and including payment seven.
- 8% interest on that amount (to reflect the loss of use of this money in the account) from the date the payment was paid to the date of settlement less any tax lawfully deductible.

### **My final decision**

I uphold this complaint and require Wise Payments Limited to pay Mr R in line with the redress I have outlined above if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 March 2026.

Jade Rowe  
**Ombudsman**