

## The complaint

Mr L complains that Wise Payments Limited won't refund the money he lost to an investment scam. Mr L is represented in this complaint, but I'll refer to him as it's his complaint.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr L was unable to work due to a serious illness, and he saw an advertisement promoting a successful Company B investment platform with a dedicated broker.

After expressing an interest Mr L was contacted by a Company B broker (a scammer) who persuaded him to invest.

Mr L believed he was dealing with a legitimate company and broker as the platform had a professional website, claimed to work with a legitimate crypto exchange (Company C) and required to check his identity documents. Also, the platform appeared realistic as he was able to see his profits and losses within his platform account and the broker assisted him and reinforced his belief it was a legitimate investment.

To transfer funds into the investment Mr L opened an account with Company C and credited this with funds from his Wise account. Also, he paid two individuals from his Wise account, crediting them with EUR.

Mr L received some initial credits which he appears to have reinvested, and he made the following eleven payments:

Payment No.	Date	Payment Method	Payee	Amount
1	09/04/2025	Bank transfer	Person K in country G	£500
2	17/04/2025	Card payment	Mr L's account with Company C	£1,000
3	17/04/2025	Card payment	Mr L's account with Company C	£2,000
4	17/04/2025	Card payment	Mr L's account with Company C	£1,400
5	17/04/2025	Card payment	Mr L's account with Company C	£750
6	29/04/2025	Bank transfer	Person K in country G	£2,558.82
7	14/05/2025	Bank transfer	Person K in country G	£3,300
8	21/05/2025	Card payment	Mr L's account with Company C	£20
9	22/05/2025	Bank transfer	Person I in country G	£843.37
10	23/05/2025	Bank transfer	Person I in country G	£1,918
11	26/05/2025	Card payment	Mr L's account with Company C	£20
Total				£14,310.19

Mr L discovered he'd been scammed when he wanted to withdraw his profits and found this wasn't possible.

Mr L contacted Wise to claim a refund. This is because he considers that the payments were unusual and they should've given him warnings and education about investment scams to protect him. And, if this had occurred, he would've listened to his bank and wouldn't have made any further payments to the scammers. But Wise rejected this saying their reimbursement scheme didn't apply.

Mr L brought his complaint to our service and our investigator's view was that Wise should've intervened and issued warnings on payment 3 and, as he thought this would've unravelled the scam and prevented Mr L's losses, he said they should refund his payments in full from this payment.

Mr L agreed but Wise didn't. Wise's reasons are:

- The payments were all for relatively low amounts and didn't look unusual.
- Crypto payments aren't illegal and whilst they present a risk, they aren't required to check every payment.
- They weren't made aware of Mr L's medical issues and vulnerability, so they couldn't be more vigilant.
- There was contributory negligence from Mr L as he didn't complete any research or seek advice. Also, he ignored red flags.

As Wise disagree, this complaint was been passed to me to make a final decision.

**I issued a provisional decision on 4 February 2026, and this is what I said:**

*I've considered the relevant information about this complaint.*

*My provisional decision is different to the outcome of that reached by our investigator as I think liability should be equally split between Mr L and Wise Payments Ltd. So, I'd like to give both parties an opportunity to respond.*

*The deadline for both parties to provide any further comments or evidence for me to consider is 18 February 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.*

*If Wise Payments Limited accepts my provisional decision, it should let me know. If Mr L also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.*

*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. However, it is different to our investigator's view, as I think the refund amount should be split 50/50, and I'll explain why.*

*I should first say that:*

- *From the evidence provided, I'm satisfied Mr L has been the victim of a cruel scam and I'm very sorry to hear that Mr L has been ill 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.*
- *Although I've read and considered everything, I won't be responding to every point individually. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.*
- *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 due to the payments being made by card and to individuals outside the UK.*
- *Regarding efforts to recover Mr L's loss, I'm satisfied Wise made attempts at the earliest opportunity but unfortunately, they were unable to recover any of the funds.*
- *The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.*

#### *PSR*

*Under the PSR and in accordance with general banking terms and conditions, Banks and Electronic Money Institute's (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 L made the payments here, so they are considered authorised.*

*However, in accordance with the law, regulations and good industry practice, an 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 and EMI's 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 (FCA'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. Also, look out for signs of vulnerability.*

*With the above PSR and Consumer Duty in mind, I looked at Mr L's eleven payments together with Wise account notes and payment history, to see if Wise should've recognised that he could be at risk of financial harm and put in place proportionate and effective interventions.*

*Whilst I agree with Wise that crypto payments are both legal and common, I couldn't see that Mr L had previously made payments in crypto or (when they asked him) that he had told them that he would be using his account for crypto activity that they would've known carried an elevated risk of a fraud or scam.*

*Payment 1 was for a relatively low amount and was in line with Mr L's planned account usage, so I wouldn't have expected Wise to have had any concerns about this payment.*

*Payment 2 was also for a relatively low amount and, although crypto spend was new for Mr L's account, considering crypto is common and legal, Wise deal with thousands of payments each day and the above-mentioned balance they have to strike when making an intervention decision, I wouldn't have expected to have seen an intervention here. Also, I can't see that Wise had any information on Mr L's illness and had an opportunity to discuss risk concerns and possible mitigation with him.*

*However, payment 3 on 17 April 2025, brought Mr L's same day spending on crypto to £3,000. As this was a large amount for him to spend and Wise would've known that customers can lose their money, because crypto is volatile and a payment method used in scams, I also think they should've recognised an elevated risk at this payment point. So, I think Wise ought to have triggered their fraud prevention system, asking him to specify the reason for the payment and giving him relevant fraud and scam warnings.*

*Payment 4 was on the same day, and it took Mr L's crypto spending that day to £4,400 and meant there was an unusual pattern of three consecutive crypto payments. So, if a payment 3 intervention resulted in payments continuing, I think this should've triggered a further intervention – with a fraud and scam agent asking probing questions to detect a fraud or scam and provide relevant warnings and education information which would bring scams to life.*

*Regarding payments 3 and 4, I can't see that Wise did any analysis, considered questioning the payments or have provided sufficient evidence to persuade me they intervened or that the payments weren't unusual, and it wasn't proportionate for them to intervene.*

*If an EMI or bank doesn't question payments that might be at risk, then it can't fulfil its duty to protect customers. I'm not saying that means it must check every payment out of its customers' accounts. But here, considering the individual circumstances of this case, I believe it ought to have put measures in place to check Mr L wasn't at risk of falling victim to a fraud or scam.*

*I then considered whether Wise's failure to put proportionate interventions in place at payment 3 and 4 caused Mr L's losses. To do this, I reflected on whether any such interventions would've made a difference.*

*Mr L has provided his dialogue with the scammer and, although I appreciate there weren't any interventions for them to persuade or coach him to be untruthful, I noted there were no discussion at all about his payments and financial firm interventions. So, there isn't any evidence to suggest that, upon strong and effective interventions, Mr L wouldn't have been open and honest about what he was doing. And, although I can't be certain, I'm persuaded that an effective intervention, first at payment 3 and then payment 4, would've highlighted significant risks as it wasn't to a regulated investment firm. And I think, on balance of probabilities, this would've caused Mr L to be concerned and led to him speaking to an agent who would more likely than not have:*

- *Noticed concerning information on Company B and promised returns.*
- *Warned him he was possibly being scammed and should be prepared to lose all his money.*
- *Brought to life crypto investment scams.*
- *Guided him on due diligence checks including checks on both the company and broker.*
- *Blocked the payments until he could show the due diligence he had completed.*

*Although I can't be certain and I recognise Mr L wouldn't have wanted to lose the £1,500 he'd already paid, I think that the above steps would've more likely than not stopped him making any further payments and unravelled the scam.*

*I then considered contributory negligence as there is a general principle that consumers must take responsibility for their decisions.*

*Although I recognise the sophistication of the scam and that Mr L was unwell, and in no way blame him for believing he was paying into a legitimate investment, I don't think it unreasonable for Wise to have expected him to have done more to protect himself. I say this because:*

- *Mr L hasn't provided any information on the research that he completed which has probably led Wise to think that none was completed.*
- *Wise say that an internet search would've indicated a scam and, although I can't be sure of the exact dates of internet warnings about Company B or that they showed it was definitely a scam, I think it more likely than not that internet searching (in April 2025) would've alerted him:*
  - *To some scam concerns.*
  - *That Company B weren't connected to Company C or a crypto exchange with a similar name.*
  - *To Company B not having an internet footprint or being regulated.*

*I think this should've caused him to undertake further checks and to seek professional advice.*

*Also, it's unclear if the two individuals he paid were part of the scam or for peer-to-peer crypto payments. If the former, he should've seen this as another red flag, stopped and sought an explanation and then sought professional advice. If the latter, as he says he didn't have any experience, I still think he should've sought advice as he didn't know the individuals or understand the risks involved in peer-to-peer transactions.*

loss *Finally, regarding compensation, given that Wise could've prevented some of the from occurring. As distress and inconvenience has been caused by the cruel scammer, rather than Wise, I don't think it would be fair and reasonable to require them to make a compensation payment.*

#### *Putting things right*

*Having considered all the above, I think both the business and customer are equally at fault here. Wise should've put in place an intervention at payment 3 and 4, which would've likely stopped the scam payments and then led to the scam unravelling, and Mr L should've been more diligent. So, as much as I empathise with Mr L's illness, loss and distressing experience, I think it is only fair and reasonable for liability to be shared here.*

*So, my provisional decision is to partially uphold this complaint, and I require Wise to:*

- *Provide Mr L with a refund of 50% of his loss from payment 3 which I calculate as £6,405.10.*
- *Pay 8% simple interest on payments 3 to 11 from date of loss to date of settlement.*
- *Deduct any amounts already paid.*

#### *My provisional decision*

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

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

*These must be received by 18 February 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 18 February 2026:

- Mr L responded to say that he accepted it.
- Wise didn't respond.

So, as Mr L accepts my provisional decision and no further arguments or evidence have been produced, 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 to:

- Provide Mr L with a refund of 50% of his loss from payment 3 which I calculate as £6,405.10.
- Pay 8% simple interest on payments 3 to 11 from date of loss to date of settlement.
- Deduct any amounts already paid.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 19 March 2026.

Paul Douglas  
**Ombudsman**