

The complaint

Mr B is unhappy that Wise Payments Limited, trading as Wise, has declined to reimburse the losses he incurred after making payments to a scam.

A professional representative, R, brought the complaint to the Financial Ombudsman Service on Mr B's behalf.

What happened

The details of the scam are known to both parties, so I won't repeat them in full here. In brief, Mr B responded to a cryptocurrency investment advert on Facebook and was subsequently contacted via WhatsApp by fraudsters purporting to represent an asset management firm. They persuaded him to set up an account on a fraudulent trading platform with the promise of high returns and manipulated him into funding it through payments made via multiple cryptocurrency exchanges.

Mr B made several payments towards the scam from both his HSBC account and his Wise account. A separate complaint concerning HSBC's actions has also been raised to our service and is assigned to me.

The table below outlines the transactions sent from Wise that form the basis of this complaint:

| Payment No. | Date | Amount | Transfer to |
|-------------|------------------|---------|-------------|
| 1 | 31 January 2025 | £20 | Coinbase |
| 2 | 31 January 2025 | £10,000 | Coinbase |
| 3 | 31 January 2025 | £10 | Crypto.com |
| 4 | 31 January 2025 | £19,900 | Crypto.com |
| 5 | 5 February 2025 | £10,000 | Coinbase |
| 6 | 5 February 2025 | £4,500 | Coinbase |
| 7 | 5 February 2025 | £5,000 | Coinbase |
| 8 | 10 February 2025 | £9,000 | Crypto.com |
| 9 | 12 February 2025 | £10,000 | Crypto.com |
| 10 | 12 February 2025 | £20,000 | Crypto.com |
| 11 | 17 February 2025 | £5,000 | Crypto.com |
| 12 | 17 February 2025 | £5,715 | Crypto.com |
| 13 | 18 February 2025 | £11,000 | Crypto.com |

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|----|------------------|--------|------------|
| 14 | 18 February 2025 | £5,000 | Crypto.com |
| 15 | 18 February 2025 | £5,000 | Crypto.com |

Mr B realised he had been scammed when he was unable to withdraw the money he had invested. Attempts to resolve the issue by paying additional fees—on the scammers’ instruction—resulted only in further excuses and financial demands. He contacted HSBC and Wise to report what had happened, but neither reimbursed the loss. He then instructed R to bring complaints to our service. In summary, R argued that the payment activity was out of character and that the scam would have been uncovered had both firms intervened in line with industry standards.

An investigator reviewed both complaints and didn’t uphold them. In summary, while he felt HSBC and Wise could have done more by way of intervention to question the payment activity, he ultimately didn’t think it would have made a difference to the loss.

R strongly disagreed and has asked for a final decision on both cases.

I issued a provisional decision in this case on 6 February 2026, explaining that I was minded to reach the same conclusion as the investigator and not uphold the complaint, but for different reasons. This is what I said:

- *Mr B authorised the disputed payments from his account, and Wise would ordinarily be expected to process payments that a customer instructs it to make. Under the Payment Services Regulations 2017 and the account’s terms and conditions, Mr B is presumed liable for the loss in the first instance where the transactions were authorised by him.*
- *However, there are circumstances in which a firm like Wise would be expected to take additional steps or carry out further checks before processing a payment in order to help protect customers from the risk of fraud. In this case, Wise did not intervene at any stage, and I think it should have done so from the point of the second payment, which was for £10,000, on 31 January 2025. Although Mr B had previously made large payments of a similar size, he had not made such payments to a cryptocurrency exchange before.*
- *Wise ought to have recognised that a transaction of this nature carried a heightened risk of being linked to fraud or a scam. Wise’s own account terms also state that bank transfers to cryptocurrency exchanges are not permitted, which provided an additional basis for Wise to question the transaction.*
- *Despite this, I consider it unlikely that the loss would have been prevented even if Wise had taken further steps and made proportionate interventions. My reasons for this are explained in extensive detail in my separate provisional decision on the HSBC complaint being issued at the same time as this one, where the payment activity towards the scam first began and where interventions before transactions did occur.*
- *To summarise, Mr B was deeply committed to the investment scam and was strongly under the spell of the scammers. I believe the evidence shows that he was not upfront about payments questioned by HSBC that were being made towards the scam, or activity carried out to fund it, such as taking out a loan. There’s insufficient evidence that he would have opened up on further probing of his explanations.*
- *Mr B also didn’t question advice from scammers about omitting the true purpose of his payment activity, and he also sought advice from them about what to say if his*

activity was questioned. So I think that he would have likely reverted to the fraudsters in the face of any further challenge in order to make the payments towards the scam, which he strongly believed were leading towards highly profitable outcomes.

- Even if HSBC had refused payments, I believe it is likely he would have found other means to proceed, as he demonstrated determination to circumvent restrictions applied by HSBC in respect to cryptocurrency activity, and used his wife's cryptocurrency account to circumvent limits encountered on his own.
- It is also relevant to note a significant change in Mr B's testimony after the investigator issued assessments. R initially argued that Mr B's cover story to HSBC was so weak that it would have fallen apart if properly challenged. However, Mr B has since said that the explanation he gave HSBC was in fact true and that he was not dishonest with the bank at any stage.
- I won't repeat the reasoning set out in my separate provisional decision on the HSBC complaint, but for several reasons I do not consider this revised position to be credible. The fact that I question the veracity of what Mr B has told us is a significant concern. It is essential that complainants are honest and accurate about what happened. My current conclusions on this matter do not assist Mr B when assessing what he would likely have done in the face of further intervention from HSBC or Wise.
- I've thought carefully about whether there likely would have been anything materially different about how Mr B would have interacted with Wise, compared to HSBC, if Wise had intervened appropriately as it should have. But given all I've said, I haven't seen anything that leads me to believe there likely would have. I'm therefore not persuaded it would be fair in this case to hold Wise responsible for Mr B having made and lost money from these payments.
- While I considered Wise's efforts to recover the funds when the scam was reported, there was no realistic prospect that this would be successful. The funds sent to Coinbase and Crypto.com were ultimately directed towards the fraudulent trading platform where they were lost. In these circumstances, there was nothing further Wise could do.

I'm very sorry that I cannot provide the outcome Mr B is seeking, but in view of the evidence provided, I am unable to reasonably ask Wise to take any further action to address the complaint.

My provisional decision

For the reasons I've given, I'm currently minded not to uphold this complaint

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Wise didn't reply to my provisional decision. R said that it would not pursue the case further and removed itself as Mr B's representative. However, Mr B contacted us directly to say that he firmly rejected my findings. In summary he said:

- Our service has the benefit of hindsight and specialist experience when reviewing this case. Mr B did not have that advantage and was not a fraud specialist. He could only take reasonable steps, based on the information available to him at the time, to satisfy himself that he was dealing with a legitimate business.
- Mr B believes he undertook reasonable due diligence before sending funds to the scammers.
- He says his actions were not reckless or dishonest but the result of a sophisticated deception. He does not consider it credible to suggest that a reasonable person

would knowingly transfer savings built up over a considerable period to fraudsters.

- Mr B reiterated that he was honest with HSBC when he said that the £10,000 payment to Wise was for family purposes.
- Wise were far better placed to identify unusual or high-risk transactions. Had they contacted Mr B, this would likely have raised serious concerns and prompted further scrutiny. Their failure to intervene constituted a missed opportunity to prevent or limit the loss, contrary to the spirit and intent of customer-protection and fraud-prevention obligations.
- He emphasised the devastating impact the scam has had on him and his family, noting that the losses may never be fully recovered.

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.

Once again, I am sorry to disappoint Mr B, but I have not changed my provisional decision and I will not be upholding this complaint.

I am very aware that I have summarised Mr B's challenges to my provisional decision briefly and in my own words. No discourtesy is intended, and I have carefully reviewed everything he said. I also recognise the significant loss he has suffered and the impact this has had on him and his family, so it was important to consider all his comments with care. However, I do not believe that his further submissions address the fundamental conclusions I reached in my provisional decision.

I appreciate that I have the benefit of hindsight when reviewing this case, but my key findings were not based on the suggestion that Mr B was to blame for failing to identify the scammers earlier, nor were they a judgement on the due diligence he says he undertook. I also did not suggest that he knowingly transferred his savings to a scam, as appears to have been implied.

While I consider that Wise should have intervened from the second payment, I remain of the view that the loss was unlikely to have been prevented even if it had taken further steps. My reasons for this are set out in detail in the provisional decision on the linked case against HSBC, which Mr B has seen, and they have not changed. I am not persuaded by his assertion that an intervention by Wise would have raised serious concerns in him or prompted him to stop making payments, given the available evidence.

Mr B has reiterated that he was honest with HSBC when asked about the purpose of the payment, but my doubts on this remain and I do not think the available evidence supports what he has said. I invited Mr B (or R) to provide further material that to address these concerns. Although he maintained his position, no new evidence has been provided to support it or to challenge what I said. For that reason, I remain of the view that a cover story was provided to HSBC, and the concerns I raised about his changing testimony remain unresolved.

Mr B has my deepest sympathies. There is no doubt he has been the victim of a terrible scam that has caused significant financial and emotional harm. However, I am unable to conclude that Wise could have prevented the loss or that it is responsible for reimbursing him.

My final decision

My final decision is that I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 March 2026.

James Abbott
Ombudsman