

Complaint

Mr B is unhappy that Wise Payments Limited (trading as Wise) didn't reimburse him after he reported falling victim to a scam.

Background

The background to this case is well known to the parties, so I don't intend to set it out in full here. What follows is a brief summary of the key facts.

In late 2023, Mr B fell victim to an investment scam. He had begun communicating via WhatsApp with an individual who claimed to be a cryptocurrency trader. This person told Mr B that he was affiliated with the financial regulatory authorities in Germany. He told Mr B that he could earn significant profits through arbitrage trading. Unfortunately, Mr B was not dealing with a legitimate financial professional but with a fraudster.

In September 2023, Mr B signed a document confirming his intention to participate in this supposed investment opportunity. He made several payments from accounts held with other financial firms. However, he appears to have made two payments from his Wise account for £3,950 and £7,176 on 19 and 20 November 2023 respectively. These were bank transfers to accounts held by other Wise customers. In his initial complaint to Wise, Mr B also referred to a payment he had sent to another account in his own name with a different bank. It now appears that this money was not ultimately lost to the scam, and all parties accept that this transfer is not part of the losses being claimed.

Therefore, this complaint concerns only the two payments made from Mr B's Wise account. Once Mr B realised he had been scammed, he contacted Wise. Wise declined to reimburse his losses. Mr B wasn't happy with that response and so he referred his complaint to this service. An Investigator considered the complaint but didn't uphold it. Mr B disagreed with that assessment, and so the complaint has now been passed to me for a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As a starting point, the legal position is that a firm is generally required to process payments and withdrawals authorised by its customer, in line with the Payment Services Regulations 2017 and its own account terms and conditions. It is accepted that the disputed payments here were authorised by Mr B. On that basis, Wise is presumed to have acted correctly in processing them.

However, that is not the end of the matter. Good industry practice also requires firms to monitor for account activity or transactions that appear unusual or out of character and may indicate a heightened risk of fraud. Where such concerns arise, I would expect a firm to take steps to protect its customer. This may involve issuing clear warnings during the payment journey or contacting the customer to understand the circumstances behind the transaction.

Wise was not in an easy position when assessing risk in this case. Mr B's Wise account was newly opened, and I understand it had been opened at the fraudster's direction. This meant Wise had very limited information about Mr B's usual spending patterns, and so had little

basis for identifying whether a particular payment was unusual. Given that, I don't think it would've been reasonable to expect Wise to identify the first payment as sufficiently concerning to require intervention.

I think the position changed when Mr B attempted the second payment. By that point, he would've sent over £10,000 to international payees in less than 48 hours. In my view, this should reasonably have raised concerns that there was an elevated risk of financial harm due to fraud. Wise did not intervene at this point, and it ought to have done so.

However, it isn't enough for me simply to conclude that Wise ought to have intervened. I must also be persuaded that its failure to do so was the cause of Mr B's losses and that an appropriate intervention would have prevented them. That requires me to consider what Mr B would likely have said or done if Wise had contacted him.

Realistically, I think it's unlikely that an intervention by Wise would have uncovered what was going on here. Wise did ask Mr B about the purpose of the payments. Following the fraudster's instructions, he provided a misleading explanation. Similarly, in a call with his main bank which was made several weeks before the Wise payments, Mr B also gave misleading answers about payments he was making to the same scam. He told his bank he was transferring funds to his own account with another firm for "*better rates*." He also expressed frustration about the checks the bank was carrying out, which he perceived as obstructive.

By the time he made the payments from his Wise account, I think it's likely that this frustration would have been even greater. If Wise had intervened, I think it is more likely than not that Mr B would have responded in a similar way by providing misleading reassurances and remaining determined to complete the transfers with as little delay as possible.

None of this is said to downplay the seriousness of what has happened. Mr B has clearly been the victim of a cruel and sophisticated fraud, and I have a great deal of sympathy for him and the distressing situation he now faces. However, my role is to assess Wise's actions and omissions, and to determine whether any shortcomings caused Mr B's losses. While I accept that Wise ought to have done more in relation to the second payment, I am not persuaded that an appropriate intervention would have prevented the loss.

Final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 April 2026.

James Kimmitt
Ombudsman