

The complaint

Mr S complains that Wise Payments Limited won't refund a payment made as a result of a scam.

What happened

Mr S was the victim of a scam, where he was tricked into sharing details and taking steps in his Wise app under the guise he'd receive money for tutoring services. In fact, several card payments were attempted, with one being successful to a merchant for £154.22.

Wise declined to refund the payment and Mr S's subsequent complaint, highlighting that it considered the payment authorised and that it couldn't recover it using a chargeback claim.

Unhappy with Wise's position, Mr S brought his concerns to our service to investigate. I shared my provisional thoughts on the matter, which upheld the complaint and recommended Wise refund the payment alongside interest to compensate Mr S for the time he'd been out of pocket. In summary, I considered the payment unauthorised, given Mr S didn't go through the agreed steps to consent to it.

Mr S accepted my findings, but Wise disagreed. It said his actions in topping up the account and ordering digital cards didn't align with someone expecting a payment. And while this payment didn't require additional authentication, other attempted payments did. So Mr S could've realised something wasn't right given he wasn't being credited with funds as expected.

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've not changed my mind about what's a fair outcome to this complaint. I'll explain why:

- For payments like the one in dispute, the starting position under the Payment Services Regulations 2017 is that Mr S is responsible for authorised payments and Wise is responsible for unauthorised payments. So that is my first question.
- In most cases, authorisation means an account holder has made a payment themselves, or has given someone else permission to make a payment on their behalf. But there may also be circumstances where it is fair to treat a payment as authorised – for example, where an account holder has told a business they want a payment to go ahead.
- It's accepted that Mr S didn't make this disputed payment. Instead, fraudsters used his details with the merchant, and Mr S wasn't required to take any additional steps to approve the payment.

- I also don't think it's reasonable to conclude he permitted someone else to make the payment on his behalf, given he was tricked into sharing information under the guise of receiving money.
- I've considered Wise's points about how Mr S topped up his account beforehand, created virtual cards, and approved other attempted payments to another merchant via his app. But I don't think these actions could reasonably mean it's fair to regard this payment – to a different merchant and for a different amount – as authorised. To do so, in my view, is too far removed. It follows that I consider the payment to be unauthorised.
- Wise hasn't explicitly put forward a reason why Mr S shouldn't be refunded for this unauthorised transaction under the PSRs. But for completeness, I will summarise why I don't think he failed with gross negligence to comply with the account terms or to keep his personalised security details safe, which appears most relevant here.
- Mr S fell victim to an organised and sophisticated scam. I can see how he was misled into thinking he was dealing with a genuine tutoring platform, given how the communications appeared. And in this context, I can understand how he shared information and took steps in his Wise app believing he would receive money. After all, it doesn't sound implausible you'd need to provide details to do this, and I'm mindful he wouldn't have seen that money had left his account before this transaction (as the previous transactions were declined).
- I recognise that, with hindsight, some of his actions might be questioned. But I'm mindful he was acting in the heat of the moment, under the instructions of experienced fraudsters who are adept at reassuring their victims about what actions are required. For example, my experience with similar scams shows victims are often told that a balance needs to be available to verify an account before it can be credited.
- This isn't to say Mr S acted entirely reasonably. But gross negligence is more than mere negligence. And here, I don't think Wise has shown he acted with a *very significant* degree of carelessness, *seriously* disregarded an *obvious* risk, or fell so *far below* what a reasonable person would have done.
- It follows that I don't think Mr S can fairly be held liable for this unauthorised payment, and Wise needs to put things right.

My final decision

For the reasons I've explained, I uphold Mr S's complaint Wise Payments Limited must:

- Refund Mr S's losses from the disputed transaction, which I understand to be £154.22
- Pay 8% simple interest per year on this amount, from the date of the payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 April 2026.

Emma Szkolar
Ombudsman