

The complaint

Mr W complains, initially via a representative, that Wise Payments Limited trading as Wise (“Wise”) have failed to refund the money he lost as part of a scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr W was contacted via a messaging service by a scammer that I will call C. C persuaded Mr W that he could join an investment group that would help him trade on an investment platform. When in actual fact the platform was a simulation.

When Mr W attempted to withdraw the “profits” that he could see on the ‘platform’, he found that he could not make a withdrawal. At this point Mr W realised that he had been scammed.

From his Wise account, Mr W made over 10 transfers to overseas accounts between February and June 2025. These totalled over £80,000.

Mr W asked Wise to refund the payments he made, as he believes Wise should have done more to prevent him from being scammed in the first place. Wise did not agree with this, but it did refund 33% of the payments that were made.

One of our investigators looked into this matter and he thought that, given the answers provided by Mr W when there were interventions by other of Mr W’s account providers, they did not think that the scam could have been uncovered or prevented. So he thought that Wise did not need to do anything more than it had already done.

Mr W did not agree with this and therefore his complaint has been passed to me to issue a decision.

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.

In deciding what’s fair and reasonable, I am required to take into account relevant law and regulations, regulators’ rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In this decision, I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point, it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. Our rules allow me to do this and this reflects the nature of our service as a free and informal alternative to the courts.

In broad terms, the starting position is that Wise is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory 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 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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); and
- 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.

In this instance, Wise asked what the payments were for and provided warnings based on the payment reasons provided. Mr W selected that he was paying himself, which meant he was provided a warning based on this.

I think that Wise should have intervened more than it did and an appropriate intervention would have been to ask more questions about the payments via a human intervention and provide a warning based on the answers provided.

That said, I don't think that this would have stopped the scam. I say this because one of Mr W's other account providers did intervene multiple times. When asked questions about the scam during these interventions, Mr W provided answers that were not accurate. He never indicated that he was making these payments as part of a crypto investment, that had been introduced by a third party. Instead, he said that he was transferring funds to help renovate a holiday home or to spend abroad.

It is clear that Mr W answered the questions in a way designed to ensure that the payments went through and to hide the real reasons he was making the payments. The answers that Mr W gave were plausible and persuasive. So taking everything into consideration, I don't think that Wise could have stopped the scam with an appropriate and proportional intervention.

I've also thought about whether Wise could have done more to recover the funds after Mr W reported the fraud.

Wise are under no obligation to refund the money to Mr W under any of the reimbursement schemes. This is because the payments were international payments and they were in a foreign currency as well.

Also, as the scam was reported around two months after the last payment, there was not a realistic likelihood in Wise recovering the funds from the receiving banks, as the funds would most likely have been forwarded on by then.

I appreciate this will likely come as a disappointment to Mr W, and I'm sorry to hear he has been the victim of a scam. However, I'm not persuaded that Wise can fairly or reasonably be held liable for his apparent loss in these circumstances. So given this I can't ask Wise to do anything more.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 April 2026.

Charlie Newton
Ombudsman