

The complaint

Mr K has complained Wise Payments Limited failed to sufficiently intervene causing him to fall victim to an authorised push payment (APP) scam or recover his funds after it occurred.

Mr K is represented by a professional representative, but for ease I will just refer to Mr K throughout.

What happened

I issued my provisional decision on 3 March 2026, the contents of which form part of this decision and can be found below:

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. In summary, Mr K fell victim to an investment scam after sending funds internationally to a scammer. In total Mr K sent the scammers £30,000, via three payments, in February 2022. Mr K subsequently realised he had been scammed when the online platform he was using closed and he had not been able to successfully withdraw any funds.

Mr K subsequently raised his scam concerns with Wise, but it did not compensate him and so he referred the complaint to us. Our Investigator initially reviewed the complaint and found that Wise ought to refund Mr K from his second payment as it was £20,000 – a large amount to be sent internationally from a new account. However, he also thought it fair that 50% be deducted for Mr K's part in the loss occurring. Mr K did not agree and requested an Ombudsman issue a decision.

As the complaint could not be resolved informally it has been passed to me to issue the 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I've thought carefully about whether Wise treated Mr K fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I am partially upholding this complaint.

I have kept in mind that Mr K made the payments himself and the starting position is that Wise should follow its customer's instructions. So, under the Payment Services Regulations

2017 (PSR 2017) he is presumed liable for the loss in the first instance. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Wise should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Wise that Mr K might be at a heightened risk of financial harm due to fraud or a scam.

Having done so, I do not think the initial payment of £5,000 ought to have been of any concern. Wise is often used for completing international payments and so a new account being opened and used for this purpose would not look suspicious. An international payment in isolation of any wider red flags would not automatically be considered a potential scam.

However, the second payment, which was far greater at £20,000, ought to have caused Wise some concern. This was a large payment to be sent from a rather new account internationally – especially when considering it was a few days after one for £5,000. Therefore, Wise should have intervened with a human intervention to question Mr K around the wider purpose of these payments. Had it done so, I am satisfied it would have become apparent Mr K was falling victim to a scam: Mr K was sending funds internationally to Poland (whilst he believed he was investing with a firm in Switzerland) and the firm in question had a warning against it on the Financial Conduct Authority's (FCA) website. I've seen no evidence Mr K was informed to mislead Wise or that he was under the scammer's spell to such an extent he would have ignored a warning given this way. So, I think Mr K would have taken heed of this warning and not proceeded with this payment, nor any others.

I will also note here that from Mr K's complaints and queries to the scammer directly in 2022, whilst still believing them to be a legitimate entity, he does refer to the full losses he is claiming. So, on balance I am persuaded he did lose all of his claimed losses as part of this scam.

Should Mr K bear any responsibility for his losses?

Considering Mr K's actions, I agree with our Investigator that he did contribute to the losses he suffered. Therefore, a reasonable deduction is 50%. Although I do not doubt he believed this to be a genuine investment opportunity, it does not absolve him of all responsibility for his actions.

It does not seem Mr K completed any particularly thorough due diligence – particularly prior to investing such large amounts of money. Had he done so, he would have noted the FCA

warning. Additionally, the funds he was sending were not directly to Switzerland where he believed the investment firm to be, but Poland. The originating bank, where Mr K sent funds to Wise from, also intervened and asked him to confirm the reason for the transfer. I believe it most likely Mr K would have selected the purpose of the transfer as for an investment and been shown the investment scam warning – which highlighted reviewing the FCA website which Mr K clearly did not do.

With the above reasons in mind, singularly and collectively, Mr K ought to have been aware of the potential risk of proceeding with the investment. Therefore, it is reasonable he is held liable for 50% of the loss.

Recovery

I've noted that Wise did attempt to recover the funds. However, with these payments being made internationally to a known-scam it was always going to be unlikely any funds remained. Scammers will generally move funds once they reach the account destination in order to frustrate any attempts at recovery.

Putt things right

For the reasons explained, I uphold this complaint, in part, and now ask Wise to:

- refund Mr K 50% of his losses from, and including, his second payment.
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Wise deducts tax from this interest, it should provide Mr K with the appropriate tax deduction certificate).

There is no reasonable basis under which I should award any additional monies to Mr K.

Wise responded to my provisional decision and accepted the outcome. However, Mr K did not agree and submitted further details. I have considered all his points in full, although I may not respond to each individually. Briefly, Mr K responded with the following:

- He does not agree that he should be held jointly liable and bear 50% responsibility for the incurred losses.
- He did not approach the investment recklessly – increasing his payments gradually.
- He received credible explanations from the scammer – including why there were negative reviews.
- The investment had all the signs of being legitimate – such as KYC processes and a highly professional online presence.
- He did not check the FCA website and does not think he reasonably should have done so.
- He questioned why the payment was going to Poland, however it was explained this was due to foreign exchange advantages.
- He acknowledges there may well have been a scam warning from his originating bank. However, the reassurances and continued contact from the scammer meant he did not consider he was falling victim to a scam.

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.

I will first add that I am sorry to hear of the losses Mr K suffered. Not only was this a cruel

scam, but a sophisticated one where the scammer spent time building Mr K's trust – which I do not doubt would have impacted his decision-making during the “investment” process.

However, although I do not doubt Mr K considered himself to be acting reasonably, I do still believe he should be held jointly responsible for his losses. As Mr K highlights there were different points where he noted things did not seem quite right. I appreciate he raised his concerns and was given an explanation he considered plausible. However, the entity he sought such reassurance from was the same one directing him through the investment which had caused him these concerns. Alongside this he does not appear to have heeded the warning given by his originating bank – which was an entity (alongside Wise) he could have questioned if he did have concerns.

Considering the above, I'm satisfied Mr K was aware of the potential risks involved with proceeding with the “investment”. Therefore, it is reasonable to hold him jointly liable with Wise.

Putting things right

For the reasons explained, I still uphold this complaint, in part, and now ask Wise to:

- refund Mr K 50% of his losses from, and including, his second payment.
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Wise deducts tax from this interest, it should provide Mr K with the appropriate tax deduction certificate).

My final decision

My final decision is I uphold this complaint in part against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 22 April 2026.

Lawrence Keath
Ombudsman