

The complaint

Mr A complains that Wise Payments Limited trading as Wise will not refund him after he was the victim of an investment scam.

What happened

The circumstances surrounding Mr A's complaint are well known to the parties, so I will not repeat them in detail here. Instead, I have summarised what I consider to be the key points.

Mr A met someone, who I will call O, in an online cryptocurrency community.

Mr A says he had known O for around six months, he had recently been the victim of a scam and he was looking to invest again to earn an additional income. Mr A says O claimed he could make investments on behalf of Mr A and double his money. In return, Mr A was to pay O \$2,500 as an upfront payment and also pay him a percentage of profits after the return of Mr A's initial investment. Mr A indicates he gave O access to his cryptocurrency account. Over the course of several days, Mr A made payments via Wise to his cryptocurrency account and directly to O, with the money to be used for investment.

On 29 January 2025, within a few weeks of investing, O told Mr A he had lost all his own money and all Mr A's money.

Mr A reported this as a scam, to Wise, on 13 March 2025. Mr A says he made the following payments (and received one credit) as part of the scam:

Date	Amount	Payment type	Destination
10/01/2025	\$15,000	Debit card payment	Own cryptocurrency account
14/01/2025	\$10,000	Debit card payment	Own cryptocurrency account
15/01/2025	\$5,000	Debit card payment	Own cryptocurrency account
22/01/2025	€15,000	Transfer	O's account
22/01/2025	€5,000		<i>Credit to Mr A's account</i>

Mr A says there are several features that lead him to believe he was the victim of a scam. He was dealing with an unregulated adviser, who was acting without authorisation. The adviser also returned some of his money, which often happens in scams where the scammer seeks to build trust. The scammer had access to Mr A's cryptocurrency wallet, which a legitimate person would not have. The circumstances in which these payments were made followed a pattern consistent with scams.

Mr A also says he had been a victim of fraud before and Wise was aware of this. The transactions were unusual, as they were high value and paid to a cryptocurrency exchange, and the payments were made in a short space of time. As such, he thinks Wise should have intervened. If Wise had intervened, he considers the scam would have been prevented because he would have heeded any warnings Wise might have given him.

Wise says it has not seen enough evidence to persuade it that Mr A has been the victim of a scam. In any event, it provided Mr A with warnings for one of the payments but that did not

prevent Mr A from making further payments. It didn't attempt to recover Mr A's money because it didn't consider there was enough evidence to show he had been scammed, but in any event it said it would have lacked chargeback rights for the card transactions because the transactions were successfully completed, crediting Mr A's cryptocurrency account. Mr A was then able to make use of the funds credited to his cryptocurrency account to buy cryptocurrency and send it on to O's wallet.

One of our investigators considered Mr A's complaint, but she didn't uphold it. She was not persuaded the evidence showed Mr A was the victim of a scam. While She thought Wise should have intervened in the first transaction, as it was a large payment being made to a cryptocurrency exchange, she thought it was unlikely intervention would have been successful. This was largely because Mr A had established a relationship of trust with O and Mr A had given inaccurate information to Wise when it intervened on a different occasion in the past, when Mr A had been scammed. She thought it likely Mr A would have similarly misled Wise if it had intervened on this occasion.

Mr A did not accept the Investigator's conclusions and asked for an ombudsman's decision. He said while he had known O for around six months and had previously engaged with him online, that did not mean he trusted O to the point he would not have been receptive to any warnings Wise might have given him. He also did not think it was appropriate to draw conclusions about how he might have responded to intervention from Wise based on how he had responded to Wise on a previous occasion, in which he had been scammed. He maintained there were clear signs he had been the victim of a scam, such as O providing investment services without being regulated, not being provided with any evidence O had ever invested on his behalf, O having access to his cryptocurrency account, and the situation appearing similar to known patterns of fraudulent activities.

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.

While I'm sorry to read that Mr A has lost his money in this investment, having considered everything carefully I am not persuaded there is enough evidence to show that Mr A has been the victim of a scam.

While it seems clear from the messages Mr A exchanged with O that Mr A lost his money, that does not necessarily mean he has been the victim of a scam. I accept Mr A was investing through someone who was not regulated to deal in investments, but it seems likely he was aware of that when he invested. Mr A says he knew he was investing with an individual, rather than an investment company and this person was part of an online investment community. There is no evidence O held himself out as a professional, or as a regulated individual. I have read the messages between Mr A and O. There are no particular claims made by O that are misleading, for example, when discussing an investment on 12 January 2025, O describes a possible investment as "...a pure gamble." that might do well "Or die within a matter of hours." There are occasions where O suggests caution, to wait rather than commit more money, especially, O says, if Mr A could not afford to lose it. All of this suggests to me that Mr A was aware he was investing in a high-risk, speculative area, that there was a possibility of losing all his money and that O did not suggest otherwise.

There was no particular pressure to invest further amounts, in fact it was Mr A who suggested investing more money on most occasions. No requests were made to pay fees to enable withdrawals or to prove liquidity and the like, which are common features of investment scams. O returned €5,000 to Mr A, which is not characteristic of someone likely to be intent on scamming Mr A. While I have seen scams where scammers return money to

their victims, it is rare for it to be such a large amount. Returns are usually followed by requests to invest more, once the investor has seen that they are able to generate returns on their investment and able to make withdrawals. That didn't happen here though, instead O told Mr A he had lost all the money a few days later, without requesting more money.

It would also be very unusual for a scammer to use his own account to receive money directly from someone they were trying to scam. It seems clear that the account Mr A sent money to on the fourth payment, was O's genuine account. Scammers generally try to layer transactions through multiple accounts to make recovery more difficult.

It is not clear to me that O did have access to Mr A's cryptocurrency account. But in any event, Mr A giving O access to his cryptocurrency account might be one indication that this could have been a scam, the other factors mentioned above are not, in my view, indicative of a scam.

Overall, the circumstances and the messages between Mr A and O do not suggest a scam, rather they suggest that Mr A knowingly invested through an individual he met online, who he knew was not regulated. The evidence suggests Mr A was aware he was investing in high-risk speculative areas, with the possibility of losing all his money and that is what happened. There is very little, other than the circumstantial evidence Mr A has pointed to, to indicate this was a scam.

The Investigator went on to consider whether Wise ought to have intervened in some of the payments, to ask Mr A questions about them and to establish whether he might be falling victim to a scam. Because I am not persuaded Mr A has been the victim of a scam here, rather than simply losing money in highly speculative investments, I do not consider I could reasonably conclude that Wise has failed to intervene to protect him from falling victim to a scam here.

In terms of recovering Mr A's money, there was no realistic possibility of Wise being able to recover any of it. Chargeback claims for the debit card payments would not have been successful because they would have had to be raised against the merchant who received the money. In this case this was the cryptocurrency exchange where Mr A held his account. However, the debit card payments had been successfully completed and funds had been received by the cryptocurrency exchange. Those funds were used to credit Mr A's account and Mr A was able to make use of those funds to buy cryptocurrency and then transfer it elsewhere. In those circumstances, no chargeback claims would have been successful.

The direct payments to O's account are also unlikely to have been recoverable. Even if there was enough evidence to suggest O was a scammer, Wise was only notified about the possibility Mr A had been scammed on 13 March 2025, almost two months after the last payment. Since money is moved onwards promptly in the majority of scams, it is highly unlikely any money would have remained available for recovery after nearly two months if this was genuinely a scam.

Overall, based on all the evidence and circumstances of Mr A's complaint and for the reasons explained above, while it seems clear Mr A has lost his money and I am naturally sympathetic for that, I am not persuaded it is clear he has fallen victim to an investment scam and so I am not persuaded I can reasonably conclude Wise has failed to protect him from a scam in this instance.

My final decision

I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 30 April 2026.

Greg Barham
Ombudsman