

The complaint

Mr R is unhappy that Wise Payments Limited, trading as Wise, didn't do enough to protect him from an investment scam. He would like Wise to refund the payment he made that was lost to the scam.

What happened

Mr R contacted what he thought was a legitimate investment company. He started making payments to this company, through accounts held with other banks. On 17 July 2023, Mr R made a payment of £9872 from his Wise account to the same recipients, who on this occasion were using an overseas account. By this stage Mr R had been given access to an account on a website, and he was seeing significant gains on the amounts he was putting in.

Mr R said at the beginning he invested a smaller amount and was able to withdraw a return, which led him to believe the opportunity was genuine. He was encouraged by this, and over a short time, started seeing large gains on his account. This encouraged him to invest further funds, and this payment was part of that.

Mr R said he was able to see a balance of around £70,000, but when he later tried to withdraw some of what he thought was his genuine gains, he was told to add 'gas money', was given excuses and then eventually contact ceased. Mr R realised at this stage that he had been the victim of a scam.

Mr R reported to Wise that he had been a victim of a scam on 1 September 2023 and then two weeks later sent it a police report. It was at this point, on 15 September 2023, that Wise attempted to recall the funds, but its actions proved unsuccessful. Then later in the month, he made a complaint. He said Wise didn't do enough to warn him about the risk of fraud or prevent the payment when he made it.

Wise replied and said it informed Mr R of the risk of a scam when he made the payment. It said unfortunately Mr R said the payment was for goods and services which prevented it from providing a relevant scam warning. It said it completed the transfer as directed by Mr R and fulfilled its contractual obligation. It didn't uphold Mr R's complaint.

Unhappy, Mr R brought his concerns to our service to investigate. Investigators from our service considered his complaint but neither upheld it. The second investigator to look at Mr R's complaint said Wise ought to have intervened with a written warning, when Mr R went to make the payment. He concluded it did more than this and provided a tailored written warning. He said Mr R provided a different reason why he was making the payment, so Wise tailored their warning accordingly.

The investigator said Wise was proportionate and reasonable in its response, but even if it had provided a tailored warning to Mr R about an investment scam, it still wouldn't have put him off from making the payment. He said he had read the conversation between Mr R and the scammers, and he said this showed him on balance, that Mr R would have carried on with the payment anyway. He didn't uphold Mr R's complaint.

Mr R disagreed, and so the complaint has been referred to me.

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 reached the same outcome as the investigators for these reasons:

- The starting position in law is that Mr R is responsible for the payment he made. And Mr R has a duty to make the payments he tells it to.
- But, as supported by the terms of the account, that doesn't preclude Wise from making fraud checks before making a payment. And, considering regulatory expectations and good industry practice, I'm satisfied that it should fairly and reasonably do this in some circumstances. So, I've considered whether, at the time of the payment, there were sufficient indicators that ought reasonably to have led Wise to intervene.
- Looking first at the account, Mr R had been a customer since 2018. I can see the account had limited outgoing activity prior to this payment.
- The payment itself was a one-off international transfer of £9872. While this is a large amount, Wise is an electronic money institution that facilitates international payments, and such transactions are not inherently unusual in that context.
- I've thought about whether there were other indicators of fraud risk. I haven't seen any evidence that the payee was flagged as high risk at the time, and I haven't seen anything to suggest the transaction had characteristics that would clearly distinguish it from a legitimate international payment.
- I think in the round considering the lack of use on Mr R's account and the size of the payment, Wise ought to have made an intervention and provided a written warning to him when he attempted to make this payment.
- Wise did make an intervention and asked Mr R what the payment was for. It did this so that it could tailor a warning, based on the answer he gave it. He told it he was making payment for goods and services, and it provided a warning relevant to what had been told. Mr R then proceeded to make the payment anyway. Based on the information it was given, I don't think Wise acted unfairly to him by providing a warning relevant to what had been told and then after this process the payment, in line with Mr R's wishes. I don't think in the circumstances, it ought to have done anything more than it did here. Its intervention was proportionate based on what it had in front of it.
- That said, I do agree with what has been concluded so far, even if Wise had provided a tailored investment warning, I think on balance, Mr R would have carried on with the payment anyway. I have seen enough from what was being said between Mr R and the scammers, at around that time, that persuades me a tailored written investment warning wouldn't have put him off.
- Mr R said that Wise should have done more to recall the payment, once it had been notified by him that he was the victim of a scam. I looked into this, but I can't on this occasion, see what else it could have done. Wise was informed on 1 September

2023 by Mr R that he had been a victim of a scam, but in order to raise the recall with the receiving bank it needed a crime reference number. Mr R provided this on 15 September 2023, and I can see it tried on this day. So, it was prompt in taking this action.

- Wise attempted to recall the transaction, but when it was able to do this, it was many days after the transaction date. It is most unlikely that this money was still in the receiving account, but in any case, wise didn't receive a response from the overseas receiving bank, and its attempt at recovery failed. This is not uncommon with regards to recalling overseas transactions. I don't think Wise on this occasion treated Mr R unfairly or made any mistakes with attempting to do this.
- I can see clearly Mr R has been a victim of a scam and I'm sorry this has happened to him. I can see he has been able to recover some of his losses with other banks for earlier transactions. But with this transaction that he made with Wise, I don't think it would be fair to ask it to compensate him for any of his losses. I do appreciate how disappointing this will be for Mr R, but for the reasons I've explained, I don't uphold his complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 May 2026.

Mark Richardson
Ombudsman