

## **The complaint**

Ms S complains Wise Payments Limited won't reimburse money she lost when she fell victim to a scam.

## **What happened**

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Ms S said she was contacted by an individual, who we now know to be a scammer, who offered her a remote job opportunity. As a result, in January 2024, she transferred under £5,000 from an account she held with an Electronic Money Institute (EMI), which I will refer to as R, to her Wise account, and from there onto the scammer via multiple different payees, to what she was led to believe was a genuine job opportunity. Ms S realised she had been a victim of a scam, when she kept being asked to make more payments, even after she had used all her savings and borrowed money from friends, without being allowed to make any withdrawals.

Ms S has also raised a complaint against R, which I will address separately.

Wise didn't agree to refund Ms S, so the complaint was brought to our service. Our Investigator didn't uphold the complaint. He said the payments Ms S made were not large enough for Wise to have intervened, and there was no obvious scam pattern forming, which would indicate Ms S was at risk of financial harm from fraud when she made the payments. The Investigator also went on to say even though he didn't expect Wise to intervene, as she was making payments to various individual payees, Wise did ask her for the purpose of the payment on each occasion, and she said she was paying friends and family and the payments were not unexpected. The Investigator said it was clear Ms S provided inaccurate information, due to the potential coaching she was receiving from the scammer, which prevented Wise from providing her with warnings which were relevant to the scam she was falling victim to or allowing Wise to uncover the scam. So, the Investigator didn't feel Wise needed to do anything else.

Ms S didn't agree, so the complaint has been passed to me to decide.

## **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.

It has not been disputed that Ms S has fallen victim to a cruel scam. The evidence provided by both Ms S and Wise sets out what happened. What is in dispute is whether Wise should refund the money Ms S lost due to the scam.

Payment Service Providers (PSP's) have a duty to protect against the risk of financial loss due to fraud and / or to undertake due diligence on large transactions to guard against any financial crime from taking place.

The question here is whether Wise ought to have identified Ms S was at risk of financial harm from fraud and intervened when she was making the payments. And if it had intervened, would it have been able to prevent the loss Ms S suffered as a result.

The payments that Ms S made in relation to the scam were of low value and went to other individuals. And so, on face value, there wouldn't have been anything to indicate to Wise that the payments were being made in relation to a job scam. Particularly as job scams often involve crypto, which has a known fraud risk at this time, but these payments wouldn't have been identifiable to Wise as such. Wise have said, based on the limited activity on Ms S's account prior to the scam, they didn't have any knowledge of Ms S's usual financial habits. As a result, they couldn't have known that Ms S's actions were out of character for her. Wise have also mentioned it is quite common for users to open a Wise account and make multiple transfers to new recipients, so this wouldn't be considered as unusual activity.

The information Wise have provided shows that some of the payments Ms S made were flagged, and she was asked to confirm if she wanted to go ahead with the transfers via the following question:

***“Protect yourself from scams”***

*This could be a scam. Tell us what this transfer's for, and we can give you advice.*

***What's this transfer for?***

Ms S was then presented with various options via a drop-down menu, which included, “paying to earn money by working online”, “paying for goods and services”, “sending money to friends and family” etc. Ms S selected “sending money to friends and family” on each of the payments which were flagged by Wise and decided to continue with the transfers.

Ms S had the option of selecting “*paying to earn money by working online*”, however, as she selected the incorrect reason for the transfers, she was shown warnings which didn't relate to the purpose of the transactions. And so, Wise couldn't provide her with tailored warnings in relation to the true nature of her payments.

I've thought about whether Wise should have taken additional steps beyond what they did, prior to processing the payments. However, I'm satisfied that Wise's questions were clear, and Ms S selected “*Sending money to friends and family*” as the purpose of the payments – which wasn't true and naturally generated scam warnings associated with that type of risk, so it wasn't particularly relevant to Ms S's circumstances.

Ms S has said the warnings Wise provided were ineffective and misleading due to sophisticated scams involving psychological manipulation, whereby victims are coerced or convinced to provide misleading or inaccurate information to the bank, which Ms S said was the case in her situation - as she'd been convinced by the scammer she was engaging in a legitimate transaction, which Ms S said influenced her responses to the prompts from Wise.

I appreciate Ms S has said based on the above it is unreasonable to place the entire burden of identifying a scam on the customer. However, I feel the warnings Wise displayed were sufficient and proportionate to the identifiable risk in relation to the payments made by Ms S. As Ms S had been convinced by the scammer she was engaging in a genuine transaction, I would've expected her to answer the questions truthfully as she didn't have any concerns about the nature of the payment. But even if she was asked to pick different answers to what the payment was actually for, I don't think it would be fair or reasonable to hold Wise responsible for that - as I don't think Wise had sufficient reason to suspect that Ms S was being coached to mislead them.

Finally, Wise have said they were able to recover one of the payments when the scam was reported, so I don't think Wise could've done anything more to try and recover the remaining funds Ms S lost to the scam. This is because, Wise have confirmed no funds remained in the other beneficiary accounts at the point Ms S reported the scam. I have a great deal of sympathy for Ms S and the loss she's suffered. But it would only be fair for me to direct Wise to refund her loss if I thought they were responsible for it. For the reasons I've explained, I don't think Wise are.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 13 May 2026.

Israr Ahmed  
**Ombudsman**