

The complaint and what happened

Mr S, via a representative, complains that Wise Payments Limited, trading as Wise, didn't do enough to protect him when he fell victim to an investment scam. He made payments from his Wise account of over £100,000 between September and December 2023.

Our investigator didn't uphold the complaint. In summary, he felt that Wise took proportionate action in its interventions with the payments being made. And, based on Mr S's interactions with third parties, he didn't think that further enquiries from Wise would have prevented his losses. As Wise had already refunded over £30,000, the investigator concluded that it had done more than he would have expected it to.

Mr S's representative disagreed. It said that the payments were highly unusual for Mr S as they were significantly larger than any previous payments to new payees and weren't in line with usual payment patterns. It acknowledged that Wise had provided warnings but didn't think it went far enough in questioning Mr S about the payments he was making. And it said that the coaching the investigator had referred to was in relation to an online quiz when purchasing cryptocurrency through an exchange, which doesn't reflect what would have happened if Wise had asked him questions about the payments, where he would have known the answers.

So, the complaint was passed to me. I got in touch with Mr S's representative informally, as our rules allow, to advise that my provisional position was that Wise's offer was beyond what I would have expected it to do, based on the available evidence. I explained that the evidence of communication between Mr S and the purported scammer was limited, mostly undated and in a somewhat random order, with any dated communication being from 2024 i.e. after the payments in dispute here were made.

I also noted that we hadn't been provided with sufficient evidence of loss to the scam – as we hadn't been provided with cryptocurrency statements or similar. And I explained that this was particularly important given the linked case where there was also uncertainty around evidence of loss. As part of this query, I questioned the source of funds as there had been mention of borrowing from a relative.

I then turned to the question of whether further enquiries would have been likely to have prevented Mr S's loss, I noted that from the scam chat available, there was the suggestion that Mr S would have reverted to the individual (who I'll refer to as the scammer from now on, for ease) if he'd been asked further questions. And Mr S had provided responses to third party account providers – prior to the disputed transactions involved in this case – that were somewhat misleading or, in one instance, inaccurate, when he was asked what the payment was for and how he'd been introduced to the investment opportunity. So, this called into question whether Mr S would have provided accurate information if Wise had made further (proportionate) enquiries. Overall, I was minded to say that Wise didn't need to take any action, especially with consideration to the amount already reimbursed.

In response, Mr S's representative provided evidence that the majority of the disputed payments had gone to a wallet address that was referenced in the scam chat. It also reiterated that Wise should have intervened by way of a human intervention with tailored

questions. And it disagreed that the interactions with the third-party account providers should call into question whether further enquiries would have unravelled the scam on the basis that there were more warning signs and red flags as the scam progressed. It also said that the borrowing from a relative hadn't gone ahead.

So, I issued my provisional decision. In this, I said:

"I'm not minded to uphold the complaint – I'll explain why.

As mentioned above, I note the evidence provided shows that the majority of the disputed payments went to a wallet address provided in the communication with the scammer. But I also note that the single reference to this wallet address is in an undated screenshot, without much surrounding context.

However, given that my overall position doesn't change as a result, I'm going to proceed on the basis that all the payments that went to wallet addresses referenced within this chat were losses to the scam, as Mr S alleges. And that means I'll move on to consider whether Wise ought to have done more by way of an intervention and, if it had, whether this most likely would have made a material difference to Mr S's losses.

Unlike the investigator, I'd be minded to say that Wise ought to have done more by way of intervention, given the sums involved, the recipient of the payments (cryptocurrency exchanges), the frequency of payments and when the transactions took place – at a time when cryptocurrency investment scams had become prevalent. Though I also recognise that this was a new account, so Wise wouldn't have been aware of what was unusual behaviour for Mr S.

But, like the investigator, I'm not persuaded that if Wise had questioned Mr S further about the payments, it would have prevented his losses. I say this because there's such limited evidence of the communication between Mr S and the scammer – everything provided looks to have been from 2024 or is undated, is out of order, and provides very little context. And I can't see what the individual said to Mr S to persuade him of the legitimacy of the investment, or whether it told Mr S what to say if questioned by his financial providers. I acknowledge that Mr S has tried to recover earlier conversations with the scammer and has been unable to do so.

I've also looked at the other available evidence to consider what would most likely have happened if Wise had intervened. And I note the involvement of two other third-party account providers. When moving funds between them, Mr S was asked the purpose of his payment, to which he indicated "savings account". This was questionable in the circumstances, as he was moving funds to his own account, but he would have known that he wasn't intending to save those funds or keep them there.

However, when making a payment from the other third-party account provider, Mr S was asked questions about it and selected that he'd discovered the opportunity through a friend or family member on more than one occasion. And this would have played a part in avoiding alerting that provider to what was really happening – it would appear far less concerning for an investment to have been introduced by a trusted friend than an unknown individual out of the blue via an online messaging service.

From the communication provided, as referenced previously, Mr S also appeared to place a significant amount of trust in the scammer, given that he was investing substantial sums of money into what he thought was a legitimate opportunity. And in his submissions to us, Mr S has recalled being impressed by the professionalism of the scammer who appeared very knowledgeable with regards to trading.

When Mr S was unsure of how to answer questions asked by the cryptocurrency exchanges, I note that he did turn to the scammer to find out how to answer. Mr S's representative has said that answering a cryptocurrency quiz is different to answer questions posed by your financial provider – and I recognise this to a degree. But in the circumstances, with such limited evidence available, it gives a useful indication – when Mr S wasn't sure how to answer a question, he turned to the scammer. So, in the absence of other evidence, it seems reasonable to consider it more likely than not that if Mr S had run into difficulty with making payments towards an investment he trusted at the time, he would more likely than not have turned to the scammer here too.

Considering the timing of the payments, I note that they were made between September and December 2023. Mr S has already told us that he was making payments through another provider from August 2023 to this same scam. So, by this point, he was around a month into the investment and had already invested a relatively substantial sum of money. So this gives some indication that he was somewhat under the spell of the scammer by this point. Mr S's representative has said that there were more warning signs and red flags as the scam progressed. But I also note that, following the last payment made from his Wise account, Mr S has told us that he continued to invest for a further period of around eight months, which doesn't persuade me that there was anything, from his perspective at least, that appeared overly concerning at the time of these payments.

I think it's relevant to mention the source of funds here too, as there are possible implications around funds that didn't belong to Mr S. Within the communication provided, there's reference to funds coming from two different relatives. When questioned about this, Mr S has said that he didn't end up borrowing money. But the communication I've seen specifically references "But I wanted you to show me how to set up that premium thing to get money back out for my [relative 1]" and "My [relative 2] loaned my [relative 1] the funds so we have to pay him back". And this does lead me to question whether Mr S has provided an accurate response around the source of funds.

In summary, there's a lack of information available on this case, and around the scam in general. I note that there are inconsistencies in relation to a linked case. And so, in considering the scam and the disputed payments as a whole, for the reasons I've given in this provisional decision, informally, and on the linked case, I'm not currently persuaded that it would be fair or reasonable to ask Wise to reimburse Mr S for his losses. But, I note that it has already reimbursed a sum of over £30,000. Based on everything I've seen and been told, I don't think it would be fair to ask it to do more than this."

Wise agreed with the provisional decision, but Mr S's representative didn't. It finds it contradictory that Wise itself accepts it should have done more – to the extent it made a partial offer – but that I provisionally decided it should have done more but concluded that this wouldn't have made a difference.

It said that significant weight was placed on the suggestion that further enquiries wouldn't have prevented Mr S's losses but that the provisional decision fails to distinguish between the type of intervention that was provided and the type that was required. It notes that a proportionate intervention would have involved direct human contact with tailored, probing questions. It submits that if Wise had engaged in an appropriate conversation with Mr S, the spell would most likely have been broken.

It takes issue with the reliance on Mr S's interactions with third parties, stating that these interactions weren't designed to uncover a scam so did not probe the nature of the underlying investment. And it considers that Mr S selecting 'friend or family member' from a multiple-choice dropdown is a superficial question that doesn't amount to the detailed and tailored enquiry Wise should have conducted.

Finally, it considers that Mr S's continued investment for a period of around eight months following his last payment from Wise underscores the failure of all the financial institutions involved.

So I'm now in a position to issue my final 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.

Having done so, I don't uphold this complaint. I recognise how disappointing this will be for Mr S – but I'll explain my reasoning.

I accept that Wise partially upheld the complaint. It did so as it said there was more it could have done to prevent Mr S's loss. But Wise has seemingly made this offer solely on the basis that it accepts there was a failing – which I also accept. From my understanding, Wise wouldn't have had access to the same third-party information I was provided with, and that *may* have altered its position if it had. I note that it has exercised its own commercial judgement here, acknowledged a failing, and chosen to make an offer as a result. In line with our Service's approach, I acknowledge the failing but have thought about what would have happened if that failing hadn't happened, with consideration to all the available evidence, including that of third parties. And that has led me to a different overall conclusion around whether there should be further, or any, reimbursement.

I move on next to the point around further enquiries and the failure to distinguish between the types of intervention provided and required. I'll address this alongside the point around the reliance on Mr S's interactions with third parties.

While I appreciate that there's a difference between an automated intervention and a human intervention, the decision that I have to make here is whether a proportionate intervention, whatever that might have looked like, at the time of the payments would *more likely than not* have prevented Mr S's losses. As I set out in my provisional decision and previously, very limited evidence has been provided on this complaint. I've also repeatedly set out that what has been provided is from *after* the payments were made, is undated, is out of order and provides very little context. And, as outlined previously, I've not seen what the individual said to Mr S to persuade him of the legitimacy of investment or whether he was told what to say if questioned by his financial providers.

So, I've also looked at the wider available evidence. Mr S's representative has said that the questions asked by the third parties weren't specifically designed to uncover a scam and didn't probe the nature of the underlying investment in any detail. Regardless of the purpose of the questions – though I note that tailored warnings are often presented following the selection made by consumers – the examples provided demonstrate that, when asked, Mr S provided inaccurate or somewhat misleading answers. And this would suggest to me that, from the very limited evidence we do have, when presented with an opportunity to provide accurate information, Mr S didn't do so. I also draw attention back to Mr S reverting to the scammer when unsure how to answer a question he was presented with by the cryptocurrency exchange. So, with the evidence available, I've not been persuaded from this that Mr S would have provided accurate information if questioned.

I note the remaining point raised by the representative, which is about the continued payments underscoring the failure of all the institutions involved. I referenced the fact that Mr S continued to make payments for a further eight months because the representative had indicated that there were more warning signs and red flags as the scam progressed. The

focus of this decision isn't on the other financial providers involved so I won't address this point further. But my earlier inclusion of this was simply intended to highlight that Mr S's actions didn't signal that he had concerns or doubts about the payments he was making towards the purported investment.

I note that, within the representative's response to the provisional decision, no further information has been offered in relation to the concerns I had around the source of funds and the discrepancies surrounding this. And no information has been offered to explain why Mr S answered incorrectly when asked how he'd been introduced to the investment. It also remains that there were inconsistencies in relation to a case linked to the same scam.

So, overall, while I do acknowledge Wise's failings, it remains that I haven't been persuaded that proportionate intervention would ultimately have prevented Mr S's losses. With the evidence provided on this case and the linked case, together with the inconsistencies that have been highlighted around this scam, I don't consider it would be fair and reasonable to ask Wise to take any further action.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 May 2026.

Melanie van der Waals
Ombudsman