

The complaint

Mr A complains that Wise Payments Limited (Wise) didn't do enough to help him when he became a victim of a car purchase scam and wants them to provide a refund of his loss.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A was looking to buy a classic car and expressed an interest in one on an overseas online used car marketplace. He was then contacted by Person F (a scammer) who made themselves out to be a representative of Company A, which is a well-known global leader in online vehicles and used car auctions.

Mr A negotiated a price of £17,225.49 (EUR 19,873.66) for the car and obtained a legitimate Company A invoice with account details which he confirmed as belonging to Company A.

On 25 August 2025, Mr A made a payment to this account for EUR 19,873.66 from his Wise account, after transferring funds from his GBP to EUR account. But he didn't receive the car.

When Mr A made enquiries, he realised Person F had set up a Bank B account in Country S using the name of legitimate Company A.

Mr A filed a police report in Country S. Company A informed him that they don't sell vehicles to private individuals and that as multiple scam incidents across Europe had occurred involving unauthorised use of their name, they set up an open fraud case.

On 18 September 2025, Mr A informed Wise of his financial loss and asked them to recall his funds. Wise required a police report and did the recall on 2 October 2025.

As Mr A believes Bank B in Country S have been negligent when setting up the scammer's bank account, he is looking to take legal action to get his money back. And when he asked Wise to provide some proof of their recall action he was dissatisfied with their response.

Mr A complained to Wise. His complaint points appear to be that:

- They weren't doing enough to help him recover his funds.
- He sought a refund which *'Wise can then pursue Bank B for repayment as they (Bank B) clearly are at fault for opening a bank account in the name of a large legitimate company without proper due diligence to verify is the actual beneficiary'*.

Wise couldn't see that they'd done anything wrong when processing Mr A's payment. But as they found there was a delay in responding to his scam report and they didn't reply to his emails in October 2025 which added to his frustration during a difficult time, they offered an apology and £80 compensation.

Mr A contacted our service complaining about Wise's refusal to provide him with recall evidence so that he can, if necessary, take court action against Bank B. He subsequently pointed out to our investigator that Wise didn't provide any warnings.

Our investigator thought that Wise were liable for his loss and should provide Mr A with a full refund. This is because the payment amount was high and he thought they should've put a

human intervention in place prior to releasing the payment and that this would've likely unravelled the scam.

Wise disagree and, when requesting an ombudsman decision, their points included the following:

- Mr A regularly made large payments from his account.
- They don't think an intervention would've prevented the scam as:
 - Mr A was a motivated buyer having proactively searched for a car.
 - The account and recipient names were an identical match.
 - Mr A's checks would've satisfied any reasonable manual review and there was no factual basis to decline the payment.

I issued a provisional decision on 2 April 2026, and this is what I said:

I've considered the relevant information about this complaint.

My provisional decision is different to the outcome reached by our investigator. So, I'd like to give both parties a further opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 23 April 2026. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I don't hear from Mr A, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final 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.

Having done so, my decision is different to our investigator's view. I'm not upholding this complaint, and I'll explain why.

I should first say that:

- *I'm very sorry to hear that Mr A has been the victim of this cruel vehicle purchase scam and lost a significant amount of money here.*
- *I'm satisfied that the APP Scam Reimbursement Rules, introduced by the Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply here. This is because it excludes international payments.*
- *I'm satisfied Wise did make efforts to recall Mr A's payment through Bank B. I appreciate Mr A was waiting for the car to be delivered but as the payment was immediate and there was a delay in reporting the scam, it wouldn't be reasonable to hold Wise responsible for an inability to recover his funds.*
- *In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened, on the balance of probabilities.*
- *The Payment Services Regulations 2017 (PSR) and FCA's Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, banks and Electronic Money Institutes (EMI's) should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.

There's no dispute that Mr A made the payments here, so they are considered authorised. However, in accordance with the law, regulations and good industry practice, a bank or EMI should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

EMI's and banks do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions. So, I consider Wise should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- Have systems in place to look 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 banks are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Consumer Duty

Also, from July 2023 Wise had to comply with the Financial Conduct Authority's Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Wise was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Wise was also required to look out for signs of vulnerability.

Mr A's initial complaint to our service was about Wise's service rather than their failure to intervene. However, as he subsequently commented on the lack of a warning and our investigator considered that an intervention should've been implemented and would've prevented the scam, I first considered:

Whether Wise should've had any concerns and recognised that Mr A was at risk of financial harm when they processed his payment for EUR 19,873.66 (£17,225.49) on 25 August 2025

I considered Wise's information that:

- A. Approximately three months earlier, on 27 May 2025, Mr A made payments for £15,000, £10,015.95, £13,000, £12,000, on the back of a large credit for currency*

(equivalent to £67,732.35).

B. Mr A successfully transacted over £440,000 in a few years and made a larger payment on 24 January 2024.

Also, I recognise that EMI's like Wise process thousands of payments each day and, as mentioned above, they have a difficult balancing act when deciding whether to intervene.

was However, the EUR 19,873.66 payment was the largest payment in the previous twelve months and larger than the payments in bullet point A. Also, importantly, it was different as it was to a new payee by international payment. So, I think Wise should've recognised a risk for this payment and put in place a proportionate fraud and scam intervention to check Mr A wasn't at risk of financial harm.

When considering:

What a proportionate intervention should've looked like for the payment

As the payment was a high amount to a new payee overseas, I would've expected Wise to have put in place a human intervention where an agent could probe what he was doing, offer advice, warnings and education and look to detect a possible fraud or scam.

I then considered:

What would've more likely than not occurred had Wise put in place a human intervention

with I'm sorry to disappoint Mr A, but having done so, I'm not persuaded that this would've unravelled the scam. I say this because Mr A would've explained his thorough research and importantly explained his Company A invoices which corresponded the bank account that he was paying. And even if a Wise agent had a concern and checked the car, company and asked to see the invoices, they wouldn't have spotted an anomaly. This is because this was a very sophisticated scam with the scammer managing to open an account in the name of a legitimate company, which is why Mr A blames Bank B for their lack of due diligence and wishes to take legal action against them.

I appreciate that there was a clue in the spam emails that Mr A received, but I don't think it would be reasonable to have expected an EMI or bank to undertake such a level of checking which is the customer's responsibility.

I then considered what was originally Mr A's main complaint:

Whether Wise treated Mr A unfairly when he asked them for evidence of their recall action so he can take legal action against Bank B.

I found that Wise gave the following explanation for not being able to share information:

- 'Due to the way banks communicate, via secure portals we cannot disclose, our internal security policies, we're unable to provide proof of recall or share related documents. We must comply with applicable regulations and data-protection requirements.

Considering Wise's legal and regulatory obligations, I can understand their comments and don't think it was unreasonable.

Wise also told Mr A that upon receipt of a 'lawful request' they:

- 'Will cooperate and assist with the investigation in line with local laws and regulations'

I appreciate Wise's emails won't suffice and this is frustrating, as it makes it more burdensome for Mr A and / or his legal representative when taking difficult legal action against Bank B in Country S (if Mr A chooses to do so). However, this is fitting with Wise's legal and regulatory obligation and explanation and I don't consider this to be either unfair or obstructive behaviour from Wise.

Regarding Mr A's comment about Wise refunding him and taking legal action against another bank (Bank B), as he believes they should've verified the account and there was a lack of diligence when the scammer opened the account. I don't think an EMI or bank can reasonably be expected to scrutinise legitimately opened bank accounts (in the UK or overseas) and / or accept a loss and take action in the event another bank is considered to be liable (through a lack of diligence) for a customer's financial loss.

Finally, I considered Wise's email response delays and I'm satisfied that their compensation payment was fair and within our publicly available guidance.

So, having considered all the information on file, whilst I genuinely empathise with Mr A's financial loss and distress, for the reasons mentioned above, my provisional decision is not to uphold this complaint against Wise Payments Limited.

My provisional decision

For the reasons mentioned above, my provisional decision is not to uphold this complaint against Wise Payments Limited.

This is subject to any comments that either Mr A or Wise Payments Limited may wish to make. These must be received by 23 April 2026.

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.

Further to my above provisional decision, Mr A disagreed and his points, when asking me to reconsider, included the following:

- The conclusion that a human intervention wouldn't have prevented the loss is speculative and inconsistent with both the FCA's Consumer Duty and established Ombudsman approach in similar cases.
- Wise should've taken effective, proactive steps and a meaningful intervention should go beyond surface-level checks and include targeted questioning and scam-specific warnings designed to disrupt the transaction and prompt reconsideration. 'A compliant intervention in this case would reasonably have included:
 - *Probing the nature and purpose of the transaction.*
 - *Establishing whether I had independently verified the payee.*
 - *Providing clear, targeted warnings about impersonation scams.*
 - *Noting that Company A is a known target of impersonation fraud across Europe, as confirmed by Company A themselves'.*
- 'Critically, it is publicly verifiable that Company A does not sell vehicles to private individuals — this is a fundamental feature of their business model stated on their own website. Had a Wise agent asked the basic question of what I was purchasing and from whom, this single fact would have exposed a fundamental inconsistency in the transaction without the need to examine any invoice or account detail'.

- Had an effective intervention taken place, it is more likely than not that he would've paused and undertaken further verification *'contacting the company through official channels would have immediately exposed the fraud'*.
- *'As Wise failed to carry out the intervention you consider necessary, the resulting uncertainty should not operate in their favour'*.
- The more likely outcome here is that a proportionate intervention would've influenced his actions and prevented the loss.

With Mr A's latest submission and above points in mind, I considered everything again.

I should first say that:

- Where an intervention didn't take place, I must reach my decision on the balance of probabilities – in other words, what I consider most likely would've happened in light of the available evidence and wider circumstances.
- The Consumer Duty does not mean that customers will always be protected from bad outcomes.
- I appreciate Mr A looking at other Ombudsman decisions but there will be different circumstances in each case.
- A key aspect of this complaint is the payee account being in the name of legitimate Company A. I think it likely that Mr A realised this as his complaint to Wise wasn't about their lack of intervention. Instead, it was about their inability to provide him with information so he could take legal action against overseas Bank B as he believes the scam to have been sophisticated with them *'clearly (are) at fault for opening a bank account in the name of a large legitimate company without proper due diligence to verify is the actual beneficiary'*.

Although I do recognise that there was a risk to this payment which required intervention, as Wise is an EMI and it wasn't out of character for Mr A to make large payments, I would've expected the human intervention to have:

- Been an online chat or email rather than verbal interaction.
- Signposted Mr A to fraud and scam education which would've likely included information and warnings about impersonation scams and criminals pretending to be a trusted business.
- Asked probing questions such as the reason for the payment and due diligence completed.

However, in this case, upon receiving probing questions from a Wise agent, I think it more likely than not that Mr A would've told Wise;

- He'd found the car on *'one of the largest platforms in Europe for new and used cars'* and he wasn't approached.
- He had *'experience of buying and selling collectible cars for more than 20 years'* and the car price wasn't too good to be true.
- He had researched Company A and read that they are a *'reputable used car specialist dealership with a sizeable international presence'*.
- The correspondence and invoices had the Company A logo containing vehicle specifications.
- Importantly, he was paying a Company A bank account and not an individual or another company and the account and recipient names were an identical match.

Considering the above together with Mr A's comments on the sophistication of the scam and his due diligence, I don't think it would be fair or reasonable to have expected Wise to have reviewed his checks, blocked the payment or made further enquiries other than checking the payee's name (which would've confirmed what Mr A had said).

I appreciate Company A put out a warning, but I can't see that this would've been available at the time or (based on Mr A's likely answers to probing questions) that an agent would've been suspicious to start checking out possible fraud on Company A. Also, question or look at their business model. And having reviewed Mr A's submissions, where he believed he had conducted thorough checks and blames Bank B, I'm not persuaded fraud and scam warnings would've stopped him paying the bank account that appeared to belong to Company A.

I'm sorry to disappoint Mr A but, although I empathise with his financial loss, I'm not persuaded that Wise caused his loss and should be required to provide him with a refund. Also, regarding his main complaint, that Wise treated Mr A unfairly when he asked them for evidence of their recall action, although I appreciate the difficulty in taking legal action against Bank B, I can't see that Wise did anything wrong.

My final decision

For the reasons mentioned above, my final decision is not to uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 May 2026.

Paul Douglas
Ombudsman