

## **The complaint**

Mr K complains that Wise Payments Limited trading as Wise hasn't protected him from losing money he paid to one of Wise's customers as a result of fraud.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr K has explained that in December 2022 he made a number of payments from his non-Wise account to a third-party account held with Wise. Mr K subsequently realised he'd been scammed.

Ultimately Mr K remained unhappy when he was unable to recover his lost funds and he referred his complaint about Wise to us. An Investigator here was unable to resolve the matter informally, so the case has been passed to me for a 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've decided to uphold this complaint for materially the same reasons as our Investigator.

I've no reason to doubt in this case that Mr K was the victim of a scam. And his complaint here, in essence, is that Wise didn't do enough to stop this fraud from a third-party account held with Wise, and prevent Mr K's loss.

Wise provided us with some information about this in its initial file it sent us in July 2023. But this wasn't enough to persuade our Investigator that Wise completed identity checks in line with its regulatory obligations or that there wasn't anything at the time of account opening to alert Wise that the account would later be used in connection with fraud or a scam. The information also wasn't enough to persuade our Investigator that Wise ought reasonably not to have realised, due to the way the account was being operated, that its customer had received funds from Mr K due to a scam, or that Wise had acted appropriately in responding to the fraud report. Our Investigator therefore asked Wise to provide further information about this. And when Wise failed to do so, our Investigator issued her assessment in October 2023 recommending that the complaint be upheld. Wise has had fair and adequate opportunity since then – including since it was informed in November 2023 that the case would consequently be passed for an Ombudsman's decision – to provide any further information it wanted to. But it didn't respond to the Investigator's view, nor provide any further information.

I'm therefore left to decide this case with the same information the Investigator had. And I agree with the Investigator's approach. Our service is entitled to take account of the failure by a party to provide information we've requested. And here, given the nature of the information requested from Wise, the reasons why, and the time it has had to provide this, I think it's fair for me to draw inferences from Wise's failure to respond. Such that, based on

the information presented and taking into account Wise's failure to respond to the Investigator's requests and assessment, the only conclusion I can fairly and reasonably reach is that I think it's likely that Wise unreasonably failed to prevent this fraud from its customer's account and prevent Mr K's loss. Wise should therefore refund Mr K all the payments he made to the Wise account (which total £20,200) plus interest calculated at 8% simple per year from the date the payments were made to the date of settlement.

### **My final decision**

For the reasons explained, I uphold this complaint and I direct Wise Payments Limited trading as Wise to pay Mr K:

- £20,200; plus
- interest on this amount calculated at 8% simple per year from the date the payments were made to the date of settlement (if Wise deducts tax from this interest, it should provide Mr K with the appropriate tax deduction certificate).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 March 2024.

Neil Bridge  
**Ombudsman**