

The complaint

Mr N complains Wise Payments Limited (“Wise”) has refused to refund him for transactions on his account he says he didn’t make.

What happened

Mr N says he was in a restaurant and asked to use Chip & PIN for a card payment. The next morning, he realised his wallet was missing and several unauthorised transactions had been made on his Wise account. Mr N says he thinks he was watched when entering his PIN in the restaurant.

Wise says the transactions were made via genuine Chip & PIN, so it thinks it’s likely Mr N made these himself. Wise also says that Mr N accidentally sent it a police report for a similar scenario reported in 2022. And Wise thinks it’s unlikely the same situation occurred twice in one year.

Our investigator considered all the evidence supplied and, before reaching an outcome, asked Wise for clarification on some of the evidence it relied on. Wise didn’t provide a complete explanation for the questions asked, and the investigator decided to uphold the complaint on the evidence available. Wise didn’t agree with this, so the complaint 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.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. Mr N has said he didn’t give any permission for the transactions in dispute to be made but Wise believes he did. My role then is to give a view on whether I think Mr N more likely than not authorised the transactions, based on the evidence I have available.

Mr N has been consistent in his account of what happened on 14 May 2023. Mr N says he made a payment via Chip & PIN while in a restaurant with friends. He thinks the staff at the restaurant may have seen his PIN, and I think this is possible. Mr N also told us that his wallet was stolen, and his card used for several unauthorised transactions on his account. Had Mr N’s wallet been stolen from the restaurant and the staff there saw his PIN, this would explain how his genuine card and PIN were used to make the transactions in dispute.

I’ve considered the nature and number of the transactions in dispute. The evidence supplied by Wise shows that 22 transactions were attempted within four hours, all for transactions of a larger amount than Mr N’s usual spending. I’ve also noticed an incorrect PIN attempt and the daily limit was reached before more transactions were successful after midnight when the limit re-set. This kind of activity is all in-line with the type of activity we expect to see by a fraudster.

Wise have provided an Action Report that it says Mr N sent them showing that he registered a similar case of fraud in 2022. So, Wise think it's unlikely that this type of fraud happened again to Mr N. I have thought about this, and I've looked at the report provided. I can see that the report details a similar scenario to the one Mr N described taking place on 14 May 2023. And it is unusual that the same situation could occur twice in the same manner to the same person within such a short space of time – but it is possible. The report doesn't provide any information about whether this incident was logged with Mr N's bank or whether he was compensated in any way. And this evidence alone doesn't persuade me, in the face of all the other evidence available, that Mr N was responsible for these transactions himself.

We also asked Wise to provide further clarification on how further transactions were successful after the daily spending limit had been reached. Wise states that had Mr N increased his spending limit in the banking app, this would have been visible in the card audit log it provided us. But there are no such entries to show Mr N increased the limit himself. Further transactions were attempted on the same day after the spend limit had been reached, and these were successful. At the time of writing Wise hasn't been able to provide any explanation as to why this happened. So, I've made my decision on the information I have.

Overall, I think it is more likely than not that Mr N didn't authorise the transactions in dispute. So, Wise should refund the payments as set out below.

Putting things right

Wise should put Mr N back in the position he would've been had the fraudulent transactions not been taken from his account. This means they need to do the following:

- Pay Mr N the total of the disputed transactions and associated fees, I understand this to be £2,953.30.
- Pay Mr N 8% simple interest from the date of the disputed transactions to the date of settlement.

If Wise considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr N how much it's taken off. It should also give Mr N a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For all the reasons outlined in this decision I am upholding this complaint and Wise Payments Limited should compensate Mr N as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 26 February 2024.

Sienna Mahboobani
Ombudsman