

## The complaint

A limited company, C, complains that Wise Payments Limited didn't do enough to prevent it losing money to a scam.

Mr A (a director) brings the complaint on C's behalf and has used a representative when doing so. But, for ease of reading, I'll mostly just refer to Mr A, where I mean either his company or the representative.

## 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.

In August and September 2022 Mr A wrote to Wise to complain. He said C had been the victim of a scam and was seeking redress in relation to the following payments:

Date	Amount	Recipient
28 March 2019	£10	'H'
28 March 2019	£11,027.21	'H'
28 March 2019	£272,349	'H'
26 June 2019	€250,000	'H'
27 June 2019	€250,000	'H'
28 June 2019	€40,000	'H'

All the payments were sent from C's Wise account to the accounts of a third party held with another bank. Mr A says he was introduced through contacts to Private Placement Trading (PPT). He says this is a type of investment where there is a high bar to entry but through which significant returns can be made. Mr A dealt with a Mr H who he believed would help facilitate this type of investment.

Prior to the payments listed above, there had been an earlier investment which didn't ultimately materialise. I understand Mr A had previously sent around €350,000 on Mr H's instruction towards this investment and the majority of those funds were returned to C in January 2019.

Mr A says the payments listed above were all made to 'investments' through Mr H. But when no returns were received and Mr H later ceased contact, he concluded he'd been the victim of a scam.

Ultimately Wise didn't provide any redress and the matter was considered by one of our Investigators. She didn't recommend that the complaint should be upheld. In summary she didn't think there were any failings by Wise which caused the loss. Mr A didn't accept this outcome and asked for an Ombudsman to review the complaint.

## **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 reached the same outcome as our Investigator, and for largely the same reasons. I know this will be disappointing for Mr A, so I'll explain why.

Wise should attempt to combat fraud, scams and the misappropriation of funds. And as a part of this I think they should fairly and reasonably be looking for out of character, unusual or suspicious payments which might mean there is an increased risk of financial harm to their customer.

What might be regular or commonplace on one account, could be extremely unusual for another. In the circumstances of this complaint, I don't think the payments listed above which Mr A has said were made as the result of a scam, would have stood out at the time as so unusual or suspicious such that I think Wise ought to have done more than they did before processing them. This is in the context of the prior account usage. The Wise account wasn't used for day-to-day business banking, it appears to have been used for ad-hoc movements of money and currency exchanges. This included an outgoing transfer for nearly €350,000 in December 2018. And against that backdrop, I don't think it was unreasonable for Wise to have not intervened before processing the disputed payments.

Even if I'm wrong on what I've said above, and Wise ought to have intervened and spoken with Mr A before processing any of the above payments, I'm not persuaded this would have made a difference. I've considered what Mr A has said regarding this. Specifically, that any one of five people associated with C could have vetoed the payments. That the investment was 'secretive' and that he believes it would have required regulation and that the return was unrealistic. Mr A has suggested that Wise ought to have refused the payment instructions. I'm not persuaded this is the case. Mr A's previous submissions included that the expected return (to C) was high, but this isn't proof in and of itself that this was a scam. I've also not seen evidence to support that the investment was presented as regulated when it wasn't – and it is of course possible to engage in an unregulated investment.

The circumstances Mr A has described around the alleged scam include that a lot of prior research had been done. Some of the introductions to the investment involved personal connections that had been in place for a number of years. And importantly most of the money sent as part of a previous 'investment' which didn't ultimately materialise, was returned in January 2019. I think all these things would have given Mr A confidence to go ahead with the payments, despite warnings from Wise. Ultimately, I'm not persuaded that any reasonable level of intervention that could have been expected of Wise, would have resulted in the discovery of the alleged scam, or have prevented further payments being made. And for the reasons above I also don't think this is a case where Wise ought to have refused to follow the payment instructions provided to them.

I've also seen evidence from a linked complaint about the bank that received the funds which shows that these were all long gone from the recipient accounts before Wise were on notice of a potential problem with those payments. As such, I don't think anything Wise did or didn't do with regard to recovery efforts impacted whether anything could be returned.

I'm sorry Mr A has lost such a significant amount of money in this way, but as I don't think this is something Wise are responsible for, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 28 March 2024.

Richard Annandale  
**Ombudsman**