

The complaint

Ms E complains Wise Payments Limited (“Wise”) refuses to refund her for payments on her account that she says she didn’t authorise.

What happened

Ms E says her phone was stolen on 3 August 2023 and her accounts were compromised. Between 23 August 2023 and 28 August 2023, 17 unauthorised transactions were made from her Wise account totalling £47,978.71.

Wise accepts that Ms E’s account was compromised and that the transactions made from her account were unauthorised. So, this matter is not in dispute. But Wise says that it should not be held responsible for the all the unauthorised transactions, as most of them were funded by incoming funds from an account held by Ms E with another provider. So, it says the other bank should refund her the money. However, as a gesture of goodwill Wise decided to refund 50% of the unauthorised transactions.

Our investigator considered this complaint and the provisions laid out in the Payment Services Regulations. He decided this complaint should be upheld in favour of Ms E and Wise should refund 100% of the unauthorised transactions. Wise disagreed so the complaint has been passed to me for a 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.

When considering what’s fair and reasonable, I’m required to take into account relevant law and regulations; the regulator’s rules, guidance and standards; the codes of practice; and, where relevant, what I consider good industry practice at the relevant time.

Generally speaking, Wise is required to refund any unauthorised payments made from Ms E’s account. Those rules are set out in the Payment Service Regulations 2017 (PSRs). Ms E says she didn’t carry out the transactions in dispute, and Wise hasn’t disagreed with this. Wise carried out it’s own fraud investigation and based on the evidence it agreed that these transactions were not authorised. So, this matter is not in dispute, and according to the provisions of the PSRs, Wise should refund her the total amount of the disputed transactions.

However, Wise argues that although the 17 transactions were not authorised, it thinks it should not be held liable for the loss as the money originated from another compromised account with another bank. So, Wise has directed Ms E to the other bank to seek a refund from it. However, the transactions Ms E has complained about are 17 transactions made from her Wise account without her consent or authority. And according to the PSR’s, Wise is liable to refund these.

I have also reviewed the response to her complaint made to the other bank and based on

their response I am satisfied Ms E will not be financially benefiting from receiving a full refund from Wise for these disputed transactions. So, I see no other reason why Wise should not be responsible for the unauthorised transactions made from Ms E's Wise account.

Putting things right

Wise should refund the total of all the disputed transactions made from Ms E's Wise account; I understand this to be £47,978.71. Wise should also add 8% simple interest to this total amount from the date the transactions were made till the date this is paid back.

My final decision

I am upholding this complaint. Wise Payments Limited should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 17 June 2024.

Sienna Mahboobani
Ombudsman