

The complaint

Ms A has complained that Wise Payments Limited (“Wise”) failed to protect her from falling victim to an employment-related scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Ms A has used a professional representative to refer **her** complaint to this service. For the purposes of my decision, I’ll refer directly to Ms A, but I’d like to reassure Ms A and **her** representative that I’ve considered everything both parties have said.

Ms A explains that he was contacted by an individual (“the scammer”) offering her a job opportunity which involved remote working, buying cryptocurrency and depositing into an “optimisation platform”.

Ms A says the scammer explained that she’d need to send funds to the scammer, who’d deposit cryptocurrency in her account on the work system. The job involved completing various tasks to promote designer brands, and she needed to deposit funds into the work platform in order to unlock the tasks to be able to complete them. Ms A didn’t receive an employment contract or any written correspondence in relation to the job offer or the expectations of the role.

Ms A says she was sent a link to a “work platform” which showed her deposits and profits, an option to withdraw her profits, and 100USDT (a form of cryptocurrency) which she says she was promised in return for accepting the job. Ms A says that these factors persuaded her that this was a genuine employment opportunity. She’s also explained she didn’t research the company after being sent the link to the website where her work account was held.

Ms A says that she initially deposited a small amount from another of her bank accounts into the work platform and completed the tasks assigned to her. She was able to withdraw around £100 of the profits she had allegedly earned. She’s explained that the next time she accessed the work platform she was offered “bonus” tasks which offered higher commission, in return for a higher deposit. Ms A took advantage of this bonus until her other bank prevented her from sending any more payments to the work platform.

As a result of her other bank account being blocked Ms A opened her Wise account in order to deposit funds in her work account. The payments she sent from Wise were as follows:

| Date | Amount (£) |
|------------|------------|
| 12/11/2023 | 19.92* |
| 12/11/2023 | 0.16 |
| 12/11/2023 | 27.44* |
| 12/11/2023 | 45.32 |

| | |
|--------------|------------------|
| 12/11/2023 | 22.00 |
| 12/11/2023 | 51.00 |
| 12/11/2023 | 72.00 |
| 12/11/2023 | 43.50 |
| 12/11/2023 | 73.83* |
| 12/11/2023 | 20.39 |
| 13/11/2023 | 3,044* |
| Total | £3,419.56 |

* new payee

Ms A says she realised she'd been scammed when the scammer demanded 35% of the total value of her profits before she was able to withdraw them. She's explained how she felt ashamed and embarrassed at what had happened to her.

Ms A reported the scam to Wise on 22 November 2023, and after its investigation it explained it wouldn't refund what Ms A had lost. Ms A made a complaint to Wise about this. In her complaint she said Wise had missed the opportunity to intervene 12 times, when she sent each payment to the scammer.

Wise didn't uphold Ms A's complaint so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he didn't think the payments were so unusual that Wise should've been on notice that Ms A might've been at risk of harm. He also noted that the warnings Wise gave Ms A were ineffective, but that's because Ms A gave Wise the incorrect reasons for making the payments.

As Ms A didn't accept the investigator's opinion, the case has been passed to me to make 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.

I'm sorry to disappoint Ms A but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Ms A authorised these payments from leaving her account. It's accepted by all parties that Ms A gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Ms A's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I've firstly considered the number, pattern and values of the payments involved. Having done so, I don't think Wise needed to do more than it did.

All of the payments, except for the final one, were for fairly small amounts. They were paid to four different payees and each time a new payee was set up, Wise asked Ms A to select the

purpose of the payment from a list. I note that each time she was asked, she selected the option that she was paying “friends and family” and Wise then showed her a series of written warnings about scams related to paying friends and family. Wise didn’t take any further action and taking everything into account I think this was a proportionate intervention for all of the payments to new payees. As the other payments were for similar sizes and were sent to payees that had already been set up, and where Ms A had already been shown the warning screens, I don’t consider Wise should’ve done to intervene there.

It’s important to note that in the list that Ms A was shown when she was asked for the reason for the payments, there was an option she could’ve chosen “Paying to earn money by working online”. Wise has provided a copy of the warning it would’ve shown if Ms A had selected this option from the list. I’m satisfied that had Ms A selected this reason for the transfers, there’s a good chance this warning would’ve enabled her to understand what was happening and may’ve uncovered the scam she was falling victim to, as it gives specific examples of things to look out for, such as being asked to pay to earn money.

I do note that Ms A’s account was newly opened when these payments took place and Wise didn’t have any history in order to be able to understand her normal pattern of behaviour. In itself I don’t consider that this excuses Wise’s responsibility to intervene to protect its customers from harm, but I have kept in mind that Wise also needs to balance this responsibility with its obligation to make payments promptly. Interventions can look differently in different circumstances, and they don’t always need to be in the form of human contact. In this case, I think automated written warnings based on the information provided by Ms A were sufficient, balancing Wise’s responsibilities whilst minimising unnecessary disruption to its customer and the risks it was presented with.

I’m mindful that prior to making these payments from her Wise account Ms A has explained she’d made previous payments from another bank account she holds. She explained the other bank had blocked any further payments, hence her moving to Wise to complete the transactions. With this in mind, and considering she hadn’t ever received any payments for the work she was doing, I do think Ms A could’ve questioned the payments she was being asked to make, and the legitimacy of what she was being told, a bit more carefully.

I also accept that Ms A didn’t find it unusual for someone to contact her out of the blue, but it’s very unusual for a recruiter to contact a prospective candidate and offer them a job through a messaging app, without ever having spoken to them. Ms A also hadn’t received any kind of paperwork or employment contract showing what she thought she’d been offered, or what she’d agreed to do in return, by the time she started making payments to the scammers. This, as well as having to pay to earn money in return, isn’t a plausible scenario. I haven’t been given any further information on why Ms A thought this was a legitimate employment opportunity, so I don’t think she did enough to protect herself from financial harm.

Recovery of the funds

Wise investigated the receiving accounts when it was made aware of the scam having taken place. Whilst Wise did what it needed to, the funds had unfortunately already been withdrawn, so it wasn’t able to recover them, and there’s nothing else I’d have expected it to do here.

I’m very sorry that Ms A has fallen victim to this scam and I do understand that my decision will be disappointing to her. But for the reasons I’ve set out above, I don’t hold Wise responsible for that.

My final decision

I don't uphold Ms A's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 24 October 2024.

Sam Wade
Ombudsman