

## The complaint

Mr P complains that Wise Payments Limited (“Wise”) didn’t do enough to protect him when he fell victim to a scam.

## What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. The facts are not in dispute, so I’ll focus on giving the reasons for my decision. But briefly Mr P was contacted by someone offering a task-based job/investment opportunity where he needed to pay to complete tasks and would then get paid a fee upon completion. As a result of the scam, Mr P made the following payments:

Date	Amount	Payee
30/12/2023	£50	Payee 1
01/01/2024	£50	Payee 2
02/01/2024	£67	Payee 3
02/01/2024	£52	Payee 3
03/01/2024	£150	Payee 4
03/01/2024	£247	Payee 5
03/01/2024	£560	Payee 5
03/01/2024	£1,491	Payee 6
03/01/2024	£1,182	Payee 7

Our investigator did not uphold the complaint. Mr P did not agree with those conclusions. Wise did not reply.

Because the complaint could not be resolved informally, it 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.

When considering what is fair and reasonable, I’m also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where there is a dispute about what happened, I have to base my decision on what I think is most likely to have happened, taking into account all the available evidence.

I'm very sorry that Mr P has lost so much money to a cruel scam. I can only direct Wise to refund Mr P's loss if I'm satisfied it reasonably failed to prevent it or did something wrong where it would be fair to ask it to provide a refund.

Wise is an electronic money institute (EMI) and not a bank so isn't subject to the same expectations set out in guidance and regulations as a bank when it comes to fraud prevention.

There's no dispute Mr P authorised the scam payments from his Wise account. So, although he didn't intend the money to go to the scammers, under the Payment Services Regulations 2017 and the terms and conditions of his account, Mr P is presumed liable for his loss in the first instance. And under the terms and conditions of the account, where a valid payment instruction has been received; Wise's obligation is to follow the instructions that he provides.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for a bank or money transfer platform like Wise to take additional steps or make additional checks before processing a payment in order to help protect its customer from the possibility of financial harm from fraud.

I've thought about whether Wise acted fairly and reasonably in its dealings with Mr P when he made the payments, or whether it should have done more than it did.

I don't consider Wise had any reason to be concerned. The account was nearly opened so there was no prior account activity to compare the transaction to. But the payments were relatively low in value (although I appreciate it is a lot of money to Mr P) and didn't fit a pattern consistent with common scams. Although some of the payments are quite close together – they are generally to new payees – and there was nothing to link the individual payments to each other. The payments are generally preceded by credits paid into the account – so the balance wasn't cleared.

So, I don't think the payments would have stood out as unusual or suspicious.

I've considered Wise's actions once it had been put on notice that Mr P was a victim of fraud. Wise is generally expected to assist its customers in recovering funds lost in a scam. Wise is also the institution of the beneficiary accounts, and it appears that at least some of these transactions were for the purchase of genuine cryptocurrency which was then sent on to the scammer. So, I wouldn't expect Wise to recover funds from genuine cryptocurrency traders.

But in any event, it's clear for each transaction, Mr P's money was spent/removed from the beneficiary bank accounts within minutes of him sending it. So I don't think Wise could have done anything further to recover Mr P's funds.

I realise my decision will be a significant disappointment to Mr P. I sympathise with his circumstances, and I am sorry he has fallen victim to a scam and lost so much money. But I think this is the fair and reasonable outcome taking everything into account.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 August 2024.

Kathryn Milne  
**Ombudsman**