

The complaint

Mrs J has complained that Wise Payments Limited (“Wise”) didn’t protect her from falling victim to an employment-related impersonation scam, and it hasn’t refunded the money she lost.

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.

Mrs J explains that in November 2023 she was contacted by an individual on a popular messaging application claiming to be from a recruitment company, offering her a job opportunity. Mrs J expressed an interest in the role and says the scammer explained that the job involved completing reviews on hotels via a mobile application in return for commission. Mrs J says she researched the company and she was satisfied it was genuine based on its website, and she says there was nothing available in the public domain that concerned her.

Mrs J explains that she was told she’d be contacted by a second person (“the scammer”) who would help her set up her account and explain more about the role, which they did. She says that the scammer was helpful and professional and that they told her how they’d helped many people earn extra income in this role over the past years. Mrs J says that the scammer shared some information about their personal life, as well as the job itself, which helped the illusion of building trust and rapport with them. She also says she was added to several group chats where members of the group discussed the role and the profits they’d been making, which further persuaded her that the opportunity was genuine.

Mrs J was directed to open a cryptocurrency wallet by the scammer, as she was told cryptocurrency was a more efficient way for her to receive her commission. She was also provided with a link to a platform to sign up to, where she’d complete the tasks. She says she was asked personal details which made her believe the platform was genuine. She was also told to open a Wise account as this would facilitate the cryptocurrency payments, which with the help of the scammer, she did.

Mrs J says that after some time she realised that her “profits” on the work platform had fallen into a negative balance, which happened several times. After referring to the scammer she was told she’d need to fund her account to return it to a credit balance in order to continue working.

The payments Mrs J sent to do this are as follows:

Date	Amount
08/11/2023	£138
08/11/2023	£558
08/11/2023	£1,407
08/11/2023	£3,248

09/11/2023	£3,360
Total loss	£8,711

Mrs J has explained that after her account showed a negative balance several times, and the scammer continued to encourage her to make increasingly large payments to clear these, she realised she'd been scammed. She reported this to Wise but Wise said it wasn't able to return the funds as they'd already been withdrawn from the recipients' accounts.

Mrs J made a complaint to Wise but it didn't uphold the complaint. It said that it's obliged to make the payments she asked it to make, and as Mrs J authorised the payments, it didn't agree that it was responsible for the losses she'd encountered. Mrs J remained unhappy so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained that she thought Wise's interventions were sufficient based on the information Mrs J gave it about the payments she was making.

Mrs J didn't accept the investigator's opinion, so 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 Mrs J 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 Mrs J authorised these payments from leaving her account. It's accepted by all parties that Mrs J gave the instructions to Wise and Wise made the payments in line with those instructions, and in line with the terms and conditions of Mrs J's account.

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

All of the payments were paid to different payees and each time a new payee was set up, Wise asked Mrs J 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 for goods and services" and Wise then showed her a series of written warnings about scams specifically related to this. Wise didn't take any further action once Mrs J had acknowledged these warnings, and taking everything into account, including the size of the payments, and their cumulative value, I think this was a proportionate intervention.

It's important to note that in the list that Mrs J was shown when she was asked for the purpose of 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 Mrs J had selected this option from the list. I'm satisfied that had Mrs J selected this reason for the transfers, there's a good chance the corresponding 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 note that Mrs J says she was directed by the scammer on how to answer the question related to the purpose of the payment, but I can't hold Wise responsible for showing an inappropriate warning as a result of that. And as Mrs J was being coached on how to respond to Wise's interventions, even if Wise had done more to intervene, I think it's unlikely the scam would've been uncovered as Mrs J would've likely answered in the way she was told to by the scammer.

Mrs J's account was newly opened when these payments took place so Wise didn't have any history in order to be able to understand her normal pattern of behaviour. I don't consider that this in itself excuses Wise's responsibility to proportionately 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 the tailored written warnings based on the information provided by Mrs J were sufficient, balancing Wise's responsibilities whilst minimising unnecessary disruption to its customer, and the risks it was presented with.

Finally, I've considered whether Mrs J did enough to satisfy herself that the job opportunity she was allegedly sending money to take part in was genuine and wouldn't result in her losing that money.

I accept that Mrs J didn't consider it entirely unheard of for a recruiter 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. I'm also not aware that Mrs J 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. This, as well as having to pay cryptocurrency to earn money in return, isn't a plausible scenario. So whilst I recognise that Mrs J is the victim here, which I'm very sorry for, I don't think she did enough to protect herself from the financial harm that she's experienced.

Recovery of the funds

Wise told Mrs J it was unfortunately unable to recover the funds when it was made aware of the scam as they'd already been withdrawn from the recipients' accounts. Funds that are fraudulently obtained in this way are typically withdrawn very quickly, as seems to be the case here. So although Wise acted quickly, it wasn't successful, but I don't hold Wise at fault for that.

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

My final decision

I don't uphold Mrs J's complaint against Wise Payments Limited.

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

Sam Wade
Ombudsman

