

The complaint

Miss S via a representative complains that Wise Payments Limited (“Wise”) won’t refund the money she lost to a fake job scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here.

In brief, Miss S fell victim to a fake job scam. I will call the scammer ‘B’. B told Miss S that she would be paid for completing a number of tasks, but she would have to send funds to B via a peer to peer crypto exchange to unlock these tasks.

This essentially showed up on Miss S’s bank statements as a series of transfers to a number of different Wise account holders and external accounts.

The list of transactions is as follows;

Transaction Number	Date	Amount	Type of transaction
1	9 June 2023	£226	Transfer
2	9 June 2023	£225	Transfer
3	9 June 2023	£232.94	Transfer
4	15 June 2023	£590	Transfer
5	22 June 2023	£3,000	Transfer
6	22 June 2023	£3,000	Transfer
7	22 June 2023	£2,000	Transfer
8	22 June 2023	£3,000	Transfer
9	22 June 2023	£3,000	Transfer
10	22 June 2023	£3,000	Transfer
11	22 June 2023	£800	Transfer
12	24 June 2023	£586.31	Transfer
13	24 June 2023	£351.27	Transfer

14	25 June 2023	£447.71	Transfer
15	25 June 2023	£32	Transfer
16	25 June 2023	£2685	Transfer
17	25 June 2023	£3,000.22	Transfer
18	25 June 2023	£4,906.62	Transfer
19	1 July 2023	£2,300	Transfer
20	1 July 2023	£2,399.68	Transfer
21	1 July 2023	£16.33	Transfer
22	2 July 2023	£2,300	Transfer

I issued a provisional decision in which I said the following

“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

It isn’t in dispute that Miss S has fallen victim to a scam here, nor that she authorised the disputed payments she made to B. The payments were requested by her using her legitimate security credentials provided by Wise, and the starting position is that Wise ought to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

However, I’ve considered whether Wise should have done more to prevent Miss S from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character for that account holder.

In this instance, Wise gave a warning to Miss S for payments 1, 2 and 5 based on the reasons that Miss S provided for why she was making the transfers. I can’t see that it provided a warning on payments 3 and 4 but given their size I don’t think that it needed to.

But even if had it done, I think that based on the reasons that Miss S gave for the transfers for 1, 2 and 5 I don’t think that the warnings that likely would have been provided would have stopped the scam.

Miss S says that she did not provide the reasons that Wise said she did for the transfers, which Wise said were investment, sending funds to friends and family and paying for goods and services. I can see though based on her response to the initial assessment from the investigator, the chats between her and the scammer and Wise’s internal system that she did select these payment reasons.

However, at payment 5, I think that Wise should have done more as it was clear by this point that what Miss S was doing was unusual and had the hallmarks of a scam. So, I think it should have intervened further and asked questions as to what Miss S was doing. Wise did not do this so I need to consider what would have happened had such an intervention occurred.

Miss S has other current accounts with two companies that I will call C and D. In this instance I can see that whilst Wise did not intervene, I know C did when Miss S sent funds from it to D. This call took place on 7 June 2023. I have the notes from C about this call.

Initially Miss S told C that she was sending funds to D in order to send to a crypto exchange and then on to her brother's friend. According to the notes when she was questioned further Miss S said that she did not want to provide further evidence and in the future she would not say she was purchasing crypto.

In a further call the same day it seems that C warned Miss S that it had concerns that she was being scammed. In a further call which took place in a branch of C on 27 June 2023 from the notes it seems Miss S attempted to make a £8,000 payment and this payment was blocked by C. When asked about the payment Miss S said it was to purchase things abroad. Whereas from when the payment was attempted, I think it was likely part of the scam.

This to me suggests that Miss S was willing to attempt to actively mislead C when she attempted to make payments and she wanted to make further payments despite being told she was possibly being scammed.

Had Wise intervened in the manner that would've been appropriate, I think it likely Miss S would also have provided answers designed to mislead it as to why she was making the payments in questions and I think that this would not have led to the scam being discovered or stopped by Wise.

Even if Wise had stopped the payments in question, I don't think that this would have stopped the scam. I say this because when C stopped Miss S from making payments to D she found a different way of sending funds to the scammer. So had the payments been stopped I believe, albeit on balance, Miss S would have found a different way to make the payments to the scammer.

Miss S has raised concerns regarding the checks it performed when it opened the accounts for the people that Miss S sent money to. I note that Wise did provide evidence which it claims showed that it followed its correct procedure. That said given that Miss S sent funds to various accounts had Wise not allowed a particular account to be opened the scammer would just have told her to send funds to a different account. So even if I did think that Wise should not have opened the accounts in question I don't think that this would have prevented the scam.

So overall I think that Wise should have done more than it did, but I do not think that this would have stopped the scam."

Wise agreed with my provisional decision. Miss S did not agree and she raised a number of points these included;

- Wise failed to protect her during the scam

- I should not use what happened with her interactions with another current account provided – ‘C’ to judge her complaint against Wise
- She is the victim
- The findings are based on opinions and assumptions

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.

Firstly, I should explain that where there is limited evidence I have to base my findings on what I think is most likely to have happened. Also I cannot uphold this complaint solely because Wise did not do something. I would also need to be satisfied that Wise’s failure caused Miss S a financial loss.

In this instance, I think that Wise should have intervened more than it did so I need to consider what would most likely have happened had it intervened in a proportional manner.

The best evidence for this is what happened when C did intervene. I understand that the complaint is not against C but I need to consider all of the available evidence to decide what is most likely to have happened.

In the interventions with C, Miss S tried to mislead as to what the payments were for and when the payments were stopped by C Miss S still sent the funds to the scammer via an alternative route. To me, this would suggest that had Wise intervened appropriately either Miss S would have likely tried to mislead it and the payments would have been sent or Wise would have stopped the payments and Miss S would have likely sent the funds to the scammer via a different route.

So, overall I think that Wise did something wrong but had it done everything I think it needed to have done, it is more likely than not that Miss S would still have suffered the same financial loss. So as Wise in my opinion could not have stopped the scam I am unable to ask it to refund the amount that Miss S lost.

I have also considered whether Wise could have recovered the funds once the scam was reported. My understanding is that Wise did attempt to recover the funds once it was made aware of the scam. But my understanding is the funds had been sent on from the receiving accounts. It did though recover a small amount. I think it did enough in relation to this. I should also add that Wise are not signed up to the Contingent Reimbursement Model either. So overall I don’t think that Wise could have recovered the funds.

I understand that Miss S is the victim here and I am not saying that I think her actions were unreasonable as she was caught up in a cruel and convincing scam. All I am saying is that I cannot ask Wise to refund Miss S’s loss for the reasons set out above and in my provisional decision.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 September 2024.

Charlie Newton
Ombudsman