

The complaint

Miss T complains that Wise Payments Limited ('Wise') won't reimburse the money she lost when she fell victim to a scam.

What happened

Miss T says that she was contacted by someone on a messaging app about a job. Miss T's details were passed on to a representative of a company I'll call M in this decision, who explained that M was an affiliate marketer for a large company and was offering a remote role. The role involved completing sets of tasks to review hotels to improve their reputation and increase bookings. Miss T didn't know at the time, but the representatives of M were scammers and M was a fake company.

Miss T was provided with a link to M's website and was asked to create her own account. She was then supported to complete tasks and advised to open an account with Wise.

After completing some sets of tasks Miss T was advised that she needed to make payments from her Wise account to a cryptocurrency exchange to withdraw commission. She made the following payments from her Wise account.

| Transaction | Date | Amount | Recipient |
|--------------|----------|----------------|--------------|
| 1 | 04/10/23 | £9,103 | Individual 1 |
| 2 | 04/10/23 | £8,001 | Individual 2 |
| Total | | £17,104 | |

When Miss T was asked to make further payments, she realised she was the victim of a scam and raised a claim with Wise.

Wise didn't agree to reimburse Miss T's loss. It referred to its terms and conditions and said it had no reason to think the transfers weren't legitimate.

Miss T was unhappy with Wise's response and brought a complaint to this service. She said Wise didn't do enough to protect her when the payments were made.

The investigator who considered Miss T's complaint didn't recommend that it be upheld. He said that given the amounts Miss T was transferring Wise should have provided written warnings tailored to the payment reason Miss T chose when making the payments – friends and family. But Miss T prevented Wise from providing a warning that fit her circumstances.

Miss T didn't agree with the investigator's findings and asked for a final decision, so her complaint has been passed to me.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

I'm really sorry to hear that Miss T has fallen victim to this cruel scam.

Wise hasn't signed up to the voluntary Contingent Reimbursement Model Code ('CRM Code') so I can't apply it to this case.

In broad terms, the starting position at law is that an electronic money institution like Wise is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in October 2023 that Wise should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Given what Wise knew about the payments, I've thought about at what point, if any, it ought to have identified that Miss T might be at a heightened risk of fraud.

I'm mindful Miss T didn't have an existing relationship with Wise and that the only transactions on the account related to the scam. This means that Wise didn't have an understanding of Miss T's normal spending patterns to compare the transactions with.

When Miss T made the first transfer, I would have expected Wise to provide a written warning that broadly covered scam risks. By the time Miss T made a second transfer from her newly opened account on the same day, I think Wise ought reasonably to have provided a written warning tailored to the payment reason chosen by Miss T. Miss T chose the friends and family payment reason so the warning should have covered the essential features of scams of this nature.

I haven't seen any evidence to suggest that Wise provided the warnings I have set out above. But I'm not satisfied a written general scam warning, or a written warning tailored to friends and family scams would have made a difference and prevented Miss T's loss. I'm not persuaded that such warnings would have resonated with Miss T, given that she was falling victim to a job scam.

In any event, other banks had gone further and spoken to Miss T before the payments from her Wise account were made but hadn't uncovered the scam, as Miss T didn't provide accurate responses to the questions she was asked. I appreciate that this was because Miss T followed the advice of the scammer to provide a different payment reason and a cover story to ensure the payment was processed. But I don't consider this is something Wise could have uncovered when providing on-screen warnings.

I realise that Miss T has lost a significant amount of money and that she believed the job opportunity to be genuine. But, for the reasons stated, I can't fairly ask Wise to reimburse her loss.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 25 March 2025.

Jay Hadfield
Ombudsman