

## Complaint

Mr A is unhappy that Wise Payments Limited didn't reimburse him after he fell victim to a scam.

## Background

The background to this case is well known to the parties, so I only intend to set out a summary here. Mr A had been applying for work online. He was contacted by someone who said they could offer him a role. This was remote work. He was told it involved rating apps through an online platform. The premise was that his activity on this platform would boost the visibility of the apps he was rating. He was told that he'd earn commission in exchange for this work.

Unfortunately, the person who had contacted Mr A wasn't a genuine recruiter, but a fraudster. Mr A was told that he needed to deposit money into his account to "*unlock*" some of the tasks he was expected to complete. He made payments in the anticipation of earning them back through his commission. He used his Wise account to make 11 payments with a total value of a little over £4,000. These payments were made to several payees and all to other accounts operated by Wise's counterparty firms in Europe and the USA.

Once he realised he'd fallen victim to a scam, he notified Wise. It didn't agree to reimburse him. Mr A was unhappy with that response and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. The Investigator noted that the individuals Mr A paid also held accounts with Wise. Mr A was unhappy that Wise had allowed them to operate and maintain those accounts. The Investigator looked into whether Wise had done what was expected of it as the *receiver* of Mr A's funds too, but he wasn't persuaded it had done anything wrong.

Mr A disagreed with the Investigator's view and so the complaint has been passed to me to consider and come to a final decision.

## Findings

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

I issued my provisional findings on this complaint on 9 August 2024. I wrote:

### The role of Wise as sender of funds

*In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Wise be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.*

*The Investigator found a particular point at which he thought Wise ought to have taken some steps to protect Mr A. I agree with his conclusions on that point. It shouldn't have processed that payment without first taking steps to warn Mr A about the risk of scams. However, I have to consider whether that failing on Wise's part was the cause of Mr A's losses – in other words, if it had acted differently, would it have been able to prevent his losses?*

*We now know with the benefit of hindsight that Mr A was falling victim to a scam. However, the question I have to consider is whether Wise could reasonably have identified that at the time. I've considered the evidence carefully and I'm not persuaded, even if Wise had made enquiries with Mr A prior to it processing these payments, that it would've made a difference.*

*I've considered that point carefully and I'm not persuaded it would've done. I've seen that, when Mr A was making these payments, he was asked to specify the purpose for which they were being made. One of the options available for him to choose on the Wise platform was "paying to earn money working online" but Mr A chose different reasons each time he made the payments. For most of them, he told Wise he was "buying goods and services." In view of that, I don't think that Wise would've had any reason to suspect that Mr A was at risk of financial harm due to a job scam and couldn't have warned him accordingly.*

### The role of Wise as receiver of funds

*I can't consider every complaint that is referred to me. The rules that define what cases I can and can't consider are known as the DISP rules. They set out the limits of this service's jurisdiction. I'm afraid I must apply those rules as they are written. I'm not able to broaden their scope or application no matter how much sympathy I may have for the individual affected.*

*Mr A has complained about the fact that the fraudsters were able to open Wise accounts to receive funds. Our Investigator set out in his view that he thought Wise had done what was expected of it under the relevant rules and regulations, but Mr A disagreed with that. Unfortunately, even if I agreed with Mr A on that point, I don't have the power to look into it. The DISP rules set out a territorial limit to our jurisdiction. DISP 2.6.1R says that, to be covered by our compulsory jurisdiction, the complaint needs to be about the activities of a firm which are carried on from an establishment in the United Kingdom. The problem is that none of the accounts Mr A paid are operated by Wise Payments Limited. They are instead operated by its counterparts in the USA and Europe, which are legally speaking separate entities to Wise Limited.*

*I realise that this distinction might seem pedantic to Mr A. I know he will be greatly disappointed by this outcome. I don't say any of this to downplay or diminish the fact that he has fallen victim to a cruel and cynical scam. I have a great deal of sympathy*

*for him and the position he's found himself in. However, based on a strict application of the rules that set out the powers of this service, I'm not able to consider his complaint about Wise Payments Limited in its role as the operator of the receiving accounts.*

Mr A explained that he was disappointed by the provisional decision and reiterated the impact the scam had on him. I understand the point he's making, and I genuinely sympathise with the significant difficulties he's experienced as a result of falling victim to the scam. However, I'm still not persuaded that Wise did anything wrong in failing to warn him about the risk of a job scam. From its position, it couldn't have known that he was at risk of such a scam based on the information it gathered from him during the payment process.

I know this will be hugely disappointing to Mr A, but I'm not persuaded to depart from the conclusion I set out in my provisional decision.

### **Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 September 2024.

James Kimmitt  
**Ombudsman**