

## The complaint

Miss H has complained that Wise Payments Limited (“Wise”) failed to protect her from losing money as a result of a scam.

## 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.

In February 2022 Miss H sent six payments to three different individuals (“the scammers”) to purchase designer handbags from a seller on social media. Shortly after Miss H had made three payments for the goods themselves, she was contacted by other individuals claiming to be from companies in the origin country. These individuals requested payments to cover fees such as customs, VAT, and travel permits.

Miss H explains that she was convinced by the scam as the scammer provided an address of their store, as well as identification.

The payments Miss H sent were as follows:

<b>Date</b>	<b>Amount</b>
13/02/2022	£1,681.13
13/02/2022	£1,086.41
13/02/2022	£781.80
15/02/2022	£910.14
15/02/2022	£1,822.58
17/02/2022	£2,998.23
<b>Total</b>	<b>£9,280.29</b>

Miss H says she realised she’d been scammed when she called the courier company overseas and she was advised they never change the fees that Miss H had paid. She’s explained she’s not able to contact the scammer as she she’s been blocked on social media and on the messaging app that she was previously using to communicate with them.

Miss H made a complaint to Wise, but as Wise didn’t uphold the complaint Miss H remained unhappy so she referred it to this service.

Our investigator considered everything and didn’t think the complaint should be upheld. He explained that he didn’t think the payments stood out enough that Wise should’ve been concerned and intervened before sending them. So he didn’t think Wise was responsible for Miss H’s losses.

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

I've carefully reviewed the information from both Miss H and Wise, and while I understand how upsetting this situation is for Miss H, I don't believe it's fair to hold Wise responsible for what happened because I don't think they ought to have intervened when Miss H made these payments.

It's clear that Miss H was the victim of a scam, and I truly feel for her having lost this money. But based on what I've seen, I don't think Wise should reasonably have been expected to prevent this. Miss H opened her account with Wise specifically to make international payments, and that's typically how people use this type of account. The account was opened in 2019 but wasn't used much until a payment was made in September 2021, with the payments in question starting in February 2022.

Miss H didn't have much history of transactions with Wise that would've meant it could spot anything unusual or out-of-line with her usual behaviour. Although this in itself doesn't excuse Wise from its responsibility of protecting its customers from financial harm, I've also kept in mind that Wise needs to balance what's practical with the risks it identifies, as well as not unnecessarily inconveniencing its customers. And in this case, Wise hasn't provided information about any interventions or warnings that took place before the payments were sent.

Whilst I understand the total sum lost was substantial for Miss H, I don't consider the individual payments, or the cumulative values, to be particularly unusual or suspicious. The payments were made over several days, to different individuals, and the amounts fluctuated as opposed to increasing. These features aren't typical of scams, so I don't think Wise missed an opportunity to flag the transactions in question as suspicious.

With all of this in mind, although I know Miss H disagreed that Wise didn't need to show on screen warnings, I don't think that makes it responsible for the losses she's unfortunately experienced. I do accept that Wise providing on screen warnings would most likely have been helpful for Miss H, but for the reasons I've explained, I don't think Wise missed the chance to do that in this case.

### **Recovery of the funds**

Wise says that when Miss H alerted it to the scam, on 24 February 2022, it attempted to recall the funds from the beneficiary banks but didn't hear back from them. But I've seen evidence that it attempted the recalls on 2 March 2022.

It's common in scams like this for funds to be withdrawn very quickly after they credit the account, often within minutes. So although I do think Wise could've acted more quickly, as there was a delay of several days between Wise being notified and the date it contact the recipient banks, I think it's unlikely there's a chance that it'd have been able to recover anything in any case. And as I've seen that Wise did try to contact the banks, albeit unsuccessfully, I can't say it acted unfairly here.

I'm very sorry that Miss H 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 Miss H's complaint against Wise Payments Limited.

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

Sam Wade  
**Ombudsman**