

Complaint

Miss S is unhappy that Wise Payments Limited didn't reimburse her after she fell victim to a scam.

Background

In late 2023, Miss S fell victim to a job scam. She was contacted by someone who claimed to work for a recruiter. They said they were looking for people interested in carrying out work remotely. The job was affiliate marketing. She was given access to an online platform and told she'd need to provide ratings for films. The premise was that these ratings would boost the visibility and profitability of those individual films.

Unfortunately, Miss S hadn't been contacted by a genuine employer, but a fraudster. To participate in this job opportunity, she was told that she needed to deposit funds into her account. She made the following payments on 12 December 2023:

1	£1,018
2	£1,001
3	£663
4	£146.33

Once she realised she'd fallen victim to a scam, she notified Wise promptly. It was able to recover £484 from the receiving account – i.e. the account that was operated by the fraudster. It didn't, however, agree to reimburse her. It said it had carried out the transfers as she'd requested and there was nothing more it could've done.

Miss S was unhappy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Miss S disagreed with the Investigator's opinion 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.

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 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.

It is now known with the benefit of hindsight that Miss S had been targeted by a fraudster. The question I must consider, however, is whether the fraud risk ought to have been

apparent to Wise based on the information that was available to it at the time. And if so, what steps (if any) should it have taken to protect her from that risk.

I've given that careful consideration and I'm not persuaded that Wise would've had reasonable grounds for intervening in connection with these payments. It was expected to spot out of character payments. However, this was a brand-new account. That meant it didn't have a detailed payment history to serve as a basis of comparison. The value of the payments is also a relevant indicator of risk. In this instance, the payments weren't so large that I'd have expected Wise to be concerned that they might be being made in connection with a scam.

It has to strike a balance between the need to protect customers from fraud and to allow legitimate payments to be processed. I'm afraid I don't think it would be realistic or practical to expect it to block payments like these which, from its perspective, wouldn't reasonably have looked concerning.

I don't say any of this to downplay or diminish the fact that Miss S has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of Wise and I'm satisfied it didn't do anything wrong here.

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 Miss S to accept or reject my decision before 30 May 2024.

James Kimmitt
Ombudsman