

The complaint

X complains that Wise Payments Limited blocked and then closed his account with it, and that it returned most of the funds on the account to a payer, rather than to him.

What happened

In May 2023 X received a payment of €4,985 to his account with Wise, which provides money remittance services and a multi-currency account. Shortly afterwards, X transferred €5,000 to a third party.

The sender of the funds made a complaint about the payment. Wise tried to contact X to ask about it, but was unable to get in touch with him. It returned the funds to the sender within a few days. It also told X that it was closing his account. When it did so, it returned the balance to X – but not the €4,985 which it had already sent elsewhere.

X complained to Wise and, when it didn't accept his complaint, to this service.

One of our investigators considered what had happened but indicated that he was not minded to uphold X's complaint. He noted that the payment had been made for the purchase of crypto-currency. But the payment appeared to have come from a different individual from the buyer of the currency.

X did not accept the investigator's assessment and asked that an ombudsman review the complaint.

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.

X says that he was not given a proper opportunity to provide information about the payment before it was returned to sender. I can see why X thinks that Wise should have waited until it had contacted him before returning the funds. I do not believe however it would have made any difference to the overall outcome. It would still have been the case that the name on the payer's bank account was not the same as the name on the buyer's crypto-currency account.

And it's possible too that X is an innocent victim and that he has lost out as a result of what happened. He did not however follow the relevant guidelines when completing the sale of crypto-currency. I note too that trading in crypto-currency is against Wise's acceptable use policy for its accounts – no doubt in part at least because of the risks to its customers and itself. In the circumstances, I don't believe I can properly require Wise to refund the payment to X.

The investigator concluded too that it was reasonable of Wise to close X's account. It is generally for account providers, as a matter of their commercial discretion, to decide whether to offer banking or payment services to any particular individual. As long as that

discretion is legitimately exercised, this service won't usually intervene – and I see no reason to do so in this case. As I have indicated, X was using his account for activities which were outside Wise's acceptable use policy. In my view, its decision to close the account was reasonable.

My final decision

For these reasons, my final decision is that I do not uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 29 July 2024.

Mike Ingram
Ombudsman