

The complaint

Mr C complains that Wise Payments Limited, trading as Wise, closed his account without notice or explanation. Mr C would like his account reinstated and an explanation for the closure.

What happened

Mr C opened an account with Wise in January 2023. On 26 November 2023 Wise closed Mr C's account immediately without explanation and informed him of the closure. Mr C appealed this decision. On 4 December 2023 Wise rejected his appeal and returned Mr C's funds, totalling a little over 13,000 Euros. But Mr C remained unhappy so raised a complaint with Wise. Wise investigated but rejected his complaint. They advised they believed they had acted fairly in closing his account and wouldn't reinstate it. Mr C was unhappy with this outcome and raised his complaint to the Financial Ombudsman Service.

One of our Investigators looked into his complaint. On reviewing the case our Investigator requested further information from Wise giving their reasons for closing Mr C's account. Although Wise sent in this information, our Investigator hadn't seen it prior to issuing their view so upheld Mr C's complaint. In summary they weren't satisfied that Wise had provided sufficient reasons to explain why they'd closed Mr C's account and recommended they pay him £100 in compensation. Mr C accepted this outcome but Wise did not, and asked the Investigator to review the further information they provided giving their reasons for closing Mr C's account, to see if it changed their view. On reviewing this information the Investigator changed their outcome. They concluded that Wise were entitled to close the account and didn't have to provide an explanation. As such the Investigator didn't uphold Mr C's complaint.

Wise accepted the outcome but Mr C didn't. Mr C asked to see the further information from Wise giving their reasons for closing Mr C's account. But, our Investigator advised that the information Wise had provided was confidential. Mr C also asked if the Investigator could request that Wise allow him to use their services again.

As such it has been passed to me to review.

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.

DISP 3.5.9R(2) states that an ombudsman may accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where the ombudsman considers it appropriate. Wise made its submission in confidence. Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Wise has treated Mr C fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint.

Wise are subject to lots of regulatory and legal responsibilities and businesses will often review accounts, and potentially close them, to ensure they meet these responsibilities. Wise are entitled to decide who they would like to do business with, much as a customer is, as long as they act fairly, comply with their terms and conditions and don't discriminate against their customers. I've seen information shared by Wise which explains their reasons for closing Mr C's account. I understand this will disappoint Mr C, but having reviewed this, and considered Wise's terms and conditions I'm satisfied they've acted fairly.

I appreciate Mr C would like to know the reasons why Wise closed his account, but I'm afraid Wise aren't required to share this with him. Mr C has also asked for his Wise account to be reopened. But, as I don't think Wise have acted unfairly in closing his account, I won't be asking them to reopen it.

For the reasons I've outlined above I won't be asking Wise to do anything further here.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 September 2024.

Katy Grundy

Ombudsman