

The complaint

Mr E complains that Wise Payments Limited blocked and closed his account.

Mr E is also unhappy about the amount of time it took Wise to release money held his account back to him and the service Wise provided.

What happened

Mr E had two personal accounts with Wise - a GBP and USD account. Mr E has explained that he used the accounts to receive payments for work he'd done.

On 17 October 2023, Wise decided to review M E's accounts. Wise blocked Mr E's accounts whilst it carried out its review. Following this it decided to close the accounts immediately. Mr E discovered that Wise had deactivated his account on 31 October 2023, when he tried to log into his account. He contacted Wise to try and find out what was happening, but Wise wouldn't give him much information.

Mr E appealed and said he needed access to the money in his account. In response, Wise apologised for any inconvenience it had caused Mr E but said it was carrying out an internal investigation and couldn't give any specific timeframes about how long this might take to complete.

Unhappy with this response, in November 2023, Mr E complained. Wise acknowledged Mr E's complaint and explained that it was taking them longer than usual to complete its investigation. In January 2024, Wise wrote to Mr E to say it hadn't been able to complete its investigation into Mr E's complaint within its usual timescales. Wise apologised again and said it would try and resolve things as quickly as possible.

Unhappy with how long Wise were taking to respond to his complaint and the lack of information, Mr E sent Wise emails and called their customer support on a weekly basis, but Wise didn't provide Mr E with any useful information. So, Mr E brought his complaint to our service.

Wise released Mr E's account balances on 22 March 2024, and responded to Mr E's complaint on 23 March 2024. In its final response letter, Wise explained that following its review it had decided to close Mr E's accounts immediately. And said it had done so in line with the account terms and conditions. However, it recognised that it should have provided Mr E with better service when dealing with his complaint and had taken too long to respond to him. To put things right Wise offered Mr E £150 compensation.

One of our investigators looked into Mr E's complaint and asked him for some more information – including how he used his accounts and the impact Wise actions had on him. Mr E said he used the accounts to receive payments from US based companies for work he did, and he'd always used his accounts properly. Mr E said he managed to get by on money he had elsewhere and from support of relatives. He said Wise had left him hanging for months, waiting for a response to his complaint and to get access to his funds. He wants to

know why Wise took as long as it did to answer his complaint and review his account. He says Wise treated him with indifference and he can't think of any explanation for Wise's actions other than discrimination.

The investigator also asked Wise to provide us with more information about what had happened. And why it had closed Mr E's accounts. In response, Wise provided more information and said it was willing to increase its offer of compensation to £200 for all the delays.

After looking at all the information the investigator said that Wise hadn't treated Mr E unfairly when it had blocked and closed his accounts. She didn't recommend Wise should do anything further to resolve Mr E's complaint and said that Mr E should contact Wise if he wanted to accept its offer of compensation.

Mr E disagreed. He said Wise admitted it took too long to deal with his complaint, and overall its actions caused him a great deal of distress and inconvenience. So he doesn't understand how the investigator didn't uphold his complaint. He asked for an ombudsman to review things. So the matter has come to me to decide.

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 very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr E's submissions.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. 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 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 E fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mr E feels very strongly about his complaint. That's clear from what's he's said to us and to Wise. Whilst I appreciate Mr E's frustration and how this matter has impacted him, it's important to point out that the only thing in question here is whether Wise has done what it should have done. I think it has and I'll explain why.

I'll deal first with Wise's decision to block and review Mr E's account. As the investigator has already explained, Wise has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's Wise's duty to reasonably ensure accounts are being used in the way they should and to protect the money which is held in them.

Having reviewed all the evidence, including the information Wise has shared with this serviced in confidence, I'm satisfied that Wise were acting in line with its legal and regulatory obligations when it restricted Mr E's accounts in October 2023. So, overall, I don't think it was unreasonable for Wise to block and review Mr E's accounts. I understand not having access to his accounts caused Mr E inconvenience, but it wouldn't be appropriate for me to award him compensation since I don't believe Wise acted inappropriately in taking the actions that it did when it blocked and reviewed his accounts.

Mr E has said that Wise took far too long to complete its review of his accounts. I've looked at the information Wise provided about what it was doing as part of its review. Having done so I'm not satisfied that Wise has provided sufficient evidence to show it couldn't have completed its review earlier. But it doesn't follow that I must award Mr E compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr E's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Mr E has said and the content of Wise's review, I don't find awarding Mr E compensation would be fair or appropriate. I understand Mr E would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr E. And the description of that information is that it's of a nature which justifies Wise's review, and which has led me to decide that awarding Mr E compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Wise to compensate Mr E for any trouble and upset he may have experienced as a result of a potential delay in Wise carrying out its review, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in his account, including his unhappiness with Wise's communication and the information it didn't provide him.

Having reached this conclusion, I believe that if Wise had acted unfairly, compensation of around £200 would be appropriate to compensate Mr E for any inconvenience he has been put to and any distress he has suffered. I can see that Wise has already offered that sum, so I will leave it up to Mr E, if upon reflection he now wishes to accept that offer. He should contact Wise if he wants to do so.

The end result of the review was that Wise decided they didn't want to provide financial facilities to Mr E anymore. Wise told Mr E in March 2024 that it had closed his accounts. And wasn't going to reopen them.

I've considered Wise's reason for closing the accounts. In doing so, I appreciate that Wise is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Wise should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as banks and financial businesses reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. But they shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination.

Wise has provided some further details of its decision making process, which led to the closure of Mr E's accounts. I'm sorry but I can't share this information with Mr E due to its commercial sensitivity. But I've seen nothing to suggest Wise's decision around closing Mr E's accounts was unfair. On balance when considering Wise's wider regulatory responsibilities and all the information available to me, I find Wise had a legitimate basis for closing Mr E's accounts immediately. So, it would not be appropriate for me to ask Wise to pay Mr E compensation since I don't find Wise acted inappropriately when it closed the accounts.

Mr E has said that he believes that he is a victim of discrimination by Wise. He says Wise blocked and closed his accounts because of his nationality. Mr E has said he has come to this conclusion because he can't think of any legitimate basis for Wise to have blocked and closed his accounts. And why, in his opinion, Wise treated him with such indifference.

While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr E has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Wise would have treated another customer with similar circumstances any differently than Mr E. After looking at all the evidence, I've not seen anything to suggest Wise treated Mr E unfairly when it decided to block and close his accounts.

In summary, I realise Mr E will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be directing Wise to do anything to resolve Mr E's complaint.

I note that Mr E has indicated that he may wish to pursue the matter through other means, I can't advise him on how to go about doing that, but my decision brings to an end what we – as an informal dispute resolution service can do for him.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 30 September 2024.

Sharon Kerrison
Ombudsman