

The complaint

Mr C complains that Wise Payments Limited (Wise) closed his account following a review of his business account.

What happened

Mr C had a personal account with Wise. Mr C has explained that he used the account to fund work projects.

In October 2023, Wise decided to review M C's account. Wise blocked Mr C's account whilst it carried out its review.

Wise told Mr C that the reason for this was that it doesn't support transfers related to cryptocurrencies or any other virtual currencies. And it believed Mr C was using his account for these purposes, which is a breach of the account terms. Following this it decided to close the account immediately.

Mr C complained and explained to Wise that he has never been involved in such transactions. And provided Wise with paperwork to support his explanation. Wise reviewed everything Mr C had provided but maintained its position.

Mr C remained unhappy and brought his complaint to our service where one of our investigator's looked into it. To resolve the complaint, Mr C said he wanted Wise to reinstate his account.

The investigator asked Mr C for some more information – including how he used his accounts and the impact Wise actions had on him. Mr C said he used the accounts to receive payments for work projects, that he'd never misused his account. And hadn't used them to trade in cryptocurrencies.

The investigator also asked Wise to provide us with more information about what had happened. And why it had closed Mr C's account. In response, Wise provided more information in confidence.

After looking at all the information the investigator said that Wise hadn't treated Mr C unfairly when it had blocked and closed his account. She didn't recommend Wise should do anything further to resolve Mr C's complaint.

Mr C disagreed. He said he hadn't done anything wrong. 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 C'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 C fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mr C feels very strongly about his complaint. That's clear from what's he's said to us and to Wise. Whilst I appreciate Mr C'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 C'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. The terms and conditions of Mr C's account also make provision for this.

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 C's accounts in October 2023. So, overall, I don't think it was unreasonable for Wise to block and review Mr C's account. I understand not having access to his account caused Mr C 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 closed his account.

I understand Mr C would naturally want to know the information I have weighted in order to reach this finding. And that he has maintained that he hasn't done anything that would warrant Wise taking the actions it did. 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 C. And the description of that information is that it's of a nature which justifies Wise's review and decision to close Mr C's account.

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 C's account. I'm sorry but I can't share this information with Mr C due to its commercial sensitivity. But I've seen nothing to suggest Wise's decision around closing Mr C's account 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 C's account immediately. So, it would not be appropriate for me to ask Wise to reopen Mr C's account.

In summary, I realise Mr C 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 more to resolve Mr C's complaint.

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 C to accept or reject my decision before 1 April 2025.

Sharon Kerrison
Ombudsman