

The complaint

V a limited company, complains that TransferWise Ltd closed its account and won't release funds held in the account.

V is represented by its director, Mr V.

What happened

In August 2020, TransferWise reviewed V's account. TransferWise said that it would take around 60 days for it to complete its review. Whilst it conducted its review it blocked V's account. This meant Mr V wasn't able to access funds in the account. At the time the account balance was just over £27,000.

As part of its review, TransferWise asked Mr V for information about the activity on V's account, which Mr V provided. On 17 December 2020, TransferWise let Mr V know that it hadn't yet finished its review and would update him as soon as it could. On 6 January 2021, TransferWise wrote to Mr V again to let him know it was still completing due diligence checks and wasn't able to release V's funds to him or remove the deactivation marker on the account.

Mr V complained to TransferWise about how long things were taking. He said not having access to V's account was making running his business difficult. TransferWise said it hadn't done anything wrong and was complying with its legal and regulatory obligations in conducting its review. It also said it had deactivated V's account in line with the terms and conditions. Unhappy with this response Mr V brought V's complaint to our service.

One of our investigators looked into the complaint. She said whilst TransferWise's review had taken some time, she was satisfied that it had done so without any undue delays and had moved things along as quickly as it could. She also said TransferWise hadn't done anything wrong when it closed V's account. Mr V disagreed. He wants TransferWise to release V's funds and reactivate its account.

As no agreement could be reached 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.

Firstly, the investigator was right to point out that TransferWise has important legal and regulatory obligations it must meet when providing accounts to its customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations TransferWise may need to review an account and/or restrict its customer's access. If it didn't comply with its obligations it could risk serious sanction.

In order to meet these requirements TransferWise is entitled to ask a customer for more information about how they use their account, including payments which are made into an

account. And it's not for this service to interfere with the bank's processes. Our role is to see if the bank has made any mistakes and then put the customer back in the position they'd have been in if the mistake hadn't happened.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for TransferWise to block V's account and ask Mr V for information. TransferWise has explained that this was its standard procedure, and I accept that it was. And having looked at all the evidence, I'm satisfied that TransferWise did so in order to comply with its various legal obligations. So, whilst I accept this caused V inconvenience, I can't say TransferWise treated V unfairly when it blocked its account.

The crux of V's complaint is the amount of time TransferWise have taken so far to complete its review. Mr V says it has taken too long and he wants TransferWise to release V's funds so that he can carry on running his business. I do accept that so far, it's taken TransferWise a relatively lengthy period of time to review V's account. And that TransferWise have yet to release V's funds. But I don't consider that it would be right for me to conclude it shouldn't have taken in excess of any particular or specific timeframe. Because TransferWise is entitled – as a matter of principle – to do what it did in order to comply with its legal and regulatory obligations.

Having looked at the information provided by TransferWise, and all the circumstances of this particular case, I'm satisfied that TransferWise hasn't been responsible for any undue delays. And that it has been progressing its review as quickly as possible. I'm also satisfied that TransferWise has acted in accordance with its legal and regulatory obligations when it restricted V's account. So, I can't say TransferWise has treated V unfairly in not releasing the funds in V's account.

I also note that TransferWise spoke to Mr V on more than one occasion about what was happening and explained to him that it was still completing its review and completing its due diligence. I can see that the bank wrote to Mr V on at least three occasions. So, I think TransferWise kept him informed about what it was doing.

I appreciate that V has been inconvenienced by TransferWise closing its account. And that Mr V wants the account up and running again. I've considered whether TransferWise acted fairly in closing V's account. I've looked at the terms and conditions of the account and I'm satisfied they did.

TransferWise can make commercial decisions about who it offers services to. They cannot unfairly discriminate against a customer. But they can say they no longer wish to do business with individuals and companies. That's because they've got the commercial freedom to decide who they want to contract with. And having looked at all the information and circumstances of this case, I'm satisfied that TransferWise has exercised its commercial decision legitimately when it decided to close V's account. So, I cannot fairly and reasonably say it's done anything wrong when it decided it no longer wanted V as a customer and closed V's account.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 5 July 2021.

Sharon Kerrison

Ombudsman