

The complaint

G, a limited company, complains that TransferWise Ltd closed his account without notice and without telling him why.

What happened

G is represented in this complaint by its sole director, Mr P. In September 2019 Mr P applied for a business account for G with TransferWise. The account was opened, but after a couple of days it was closed again without notice. Mr P complained, but he did not receive responses to his emails. Eventually, in March 2020, he referred this complaint to our Service, on behalf of G.

TransferWise told us it had closed the account because Mr P had been abusive in an email he had sent in response to its “know your customer” questions. It referred to the terms in its Acceptable Use Policy which it said it had relied on to close the account. It said it had overlooked Mr P’s complaint emails as a result of what it described as human error, and said it had improved its procedures to avoid that happening again, but it did not agree to pay compensation for that.

Our investigator did not uphold this complaint. Mr P had not disputed that he had sent the email TransferWise had referred to, and the investigator thought it had been abusive. He concluded that TransferWise had been entitled to close the account without notice.

Mr P did not accept that decision. He argued that the words he had used were not swear words, and he provided links to the Cambridge Dictionary to support his opinion. He accepted that he had not been polite, but said he had only lost his temper because of what he considered to be the incompetence of TransferWise’s staff. He also argued that emails between TransferWise and its customers were not covered by the terms and conditions which TransferWise had relied on. He asked for an ombudsman’s decision.

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 do not uphold this complaint, but for somewhat different reasons to those relied on by my colleague and by TransferWise.

After opening G’s account, TransferWise asked Mr P about the nature of G’s business, and also asked for further information about a named individual (full name, date of birth, and country of residence). Mr P answered the first question, but said that the named person was not involved in running the company, and he declined to provide information about him.

TransferWise responded by repeating both questions, and added that the person it was asking about appeared to be a director of the company, “based on the commercial registry”. In answer to the first question, which Mr P had already answered, Mr P repeated his earlier answer but also added that TransferWise’s staff were “retarded” for not understanding him

the first time. In his answer to the second question, he called TransferWise “idiots”, denied that the person they had asked about was involved in the company, and asked where TransferWise was getting its “bullsh*t”¹ information from. He then referred TransferWise to G’s entry on the Companies House website, which shows that Mr P is the only director and shareholder.

In his response to my colleague’s opinion, Mr P wrote:

“These ... words are widely accepted and used in common daily language on radio and television and are not considered swearwords, also it was not addressed directly to any individual, but was perfectly suited in that situation when precious time was wasted by incompetent staff.”

Nevertheless, I think that all three words are insulting and abusive, and that TransferWise was right to consider them as such. I don’t think it matters who they were addressed to; somebody had to read them.

TransferWise told us that it had relied on section 1.1(d) of its Acceptable Use Policy, which reads as follows:

“1.1 You may use our Services only for lawful purposes. You may not use our Services: ...
d. for anything that is abusive, harmful, or does not comply with our content standards...”

However, “Services” is defined in the glossary of TransferWise’s User Agreement as follows:

“**Services** means all products, services, content, features, technologies or functions offered by us and all related websites, applications (including the App), and services (including the Website and API).”²

I agree with Mr P that this definition does not extend to emails between TransferWise and its customers.

Section 25 of the User Agreement sets out the circumstances in which TransferWise may close an account without notice, but that does not refer to abusive language being used in communications with TransferWise.

In spite of that, however, I still think it is fair and reasonable to decide that TransferWise did not err by closing G’s account without notice based on Mr P’s abusive email. TransferWise has a responsibility to its staff, as well as to its customers, and that includes allowing them to work in an environment where they don’t have to be insulted by customers. The terms and conditions of its User Agreement and Acceptable Use Policy don’t say that, but I think it should go without saying.

Even if I had taken a different view about that, I think TransferWise was also entitled to close the account based on Mr P’s failure to comply with section 9 of the User Agreement, which requires him to comply with requests for information as part of TransferWise’s security and customer due diligence checks. Section 25.2(a) of that agreement clearly sets out TransferWise’s right to close an account without notice where section 9 is not complied with.

I have checked G’s entry on Customer House’s website, and it does indeed show that Mr P is the sole director and the only person with significant control over the company. But then

¹ This word was written in full, but I have had to redact it in this decision because otherwise our email system will intercept it and won’t allow me to send the decision by email.

² See <https://wise.com/terms-of-use#/section-3> (“API” means software provided by TransferWise.)

when I searched for the name of the third party who TransferWise had asked about, the very first search result was Mr P's own name. I don't know why or what that means, but I think it vindicates TransferWise's persistence in asking about him.

Finally, although I appreciate that it must have been frustrating for Mr P not to receive replies to his complaint emails, and I do think that was an error by TransferWise, I cannot award him compensation for that. That is because this complaint is not his but his company's, and a company cannot feel frustration or impatience.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 18 June 2021.

Richard Wood
Ombudsman