

The complaint

Mr S complains that TransferWise Limited (TransferWise) blocked a payment he tried to make through his account and requested he complete ID checks before the payment could proceed.

What happened

On 16 November 2019, Mr S sought to make a payment of £80 to an account in his name in Spain. TransferWise blocked the payment and asked him to send in a photo of himself next to an identification card.

Mr S sent the photo but cancelled the payment and complained, saying TransferWise had already verified him before and that they had taken his money. TransferWise cancelled the payment on the same day and told Mr S it would take two to 10 business days for the funds to clear into his account.

Mr S remained unhappy, so he brought his complaint to our service. Our investigator didn't uphold Mr S's complaint. She said TransferWise was entitled to carry out due diligence checks and that it had acted in line with its legal and regulatory obligations, as well as the terms and conditions of the account.

Mr S disagreed. He felt TransferWise should conduct all of its security checks before it opened Mr S's account. He asked for an ombudsman to review the matter afresh.

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.

All financial institutions operating in the UK have to comply with various legal and regulatory obligations. Sometimes that means they have to review customers' accounts or carry out security checks before they allow a payment to proceed.

The terms and conditions of Mr S's account, that both he and TransferWise must comply with, allow TransferWise to carry out due diligence checks. They also state that such verification checks may extend the time for processing a payment.

I've looked at the circumstances of this payment and I've thought about the checks TransferWise carried out in relation to the payment in question. Having done so, I'm satisfied TransferWise was entitled to ask Mr S to provide identification before it completed his payment. I've seen nothing that says TransferWise can't carry out checks after an account has been opened – any such restriction wouldn't make sense as it would prevent TransferWise from complying with its ongoing legal and regulatory obligations.

I'm also satisfied it acted promptly in completing its checks and complying with Mr S's request to cancel the payment.

It follows that I don't consider TransferWise to have treated Mr S unfairly, and that I won't ask it to do anything further to put matters right for Mr S.

My final decision

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 S to accept or reject my decision before 25 June 2021.

Alex Brooke-Smith
Ombudsman