

The complaint

Mrs B is unhappy with how Wise Payments Limited (Wise) handled matters surrounding the closure of her accounts.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision.

What I've decided – and why

What I can – and can't – consider

Some concerns Mrs B has specifically asked us to comment on relate to the way in which her complaint was handled. The rules under which our service operates are set by UK financial regulator (the FCA) and can be found in the "DISP" section of the FCA's handbook. DISP Rule 2.3.1 explains we can only consider complaints relating to the carrying on one or more of the regulated or other covered activities, or any ancillary activity carried on by the firm in connection with them. Complaint handling doesn't fall within that. It's not a complaint about a financial service, it's distinct from that. So, whilst I can consider the level of service provided by Wise in relation to the account closure, I can't consider Mrs B's concerns that are *solely* about how Wise handled her subsequent complaint. Such as the lack of response/acknowledgement from Wise's CEO.

Merits

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold it. Before setting out my reasons for this, I'll clarify that, whilst I've read and considered all the submissions in their entirety, I won't be responding in the same level of detail. It isn't my role to respond to each and every point made, and I hope the parties won't consider this a discourtesy. In keeping with our role for quick and informal resolution, I'll be concentrating on the crux of the issue.

- In line with the terms and conditions of the account, Wise can suspend an account if it has reasonable concerns about:
 - a) *the security of your Wise Account; or*
 - b) *suspected unauthorised or fraudulent use of your Wise Account*
- As Mrs B is aware, Wise isn't expected to disclose its full criteria for this, for commercial and security reasons. But she's aware the accounts were closed following her reporting an unexpected "micro-payment" *into* her US dollar (USD) account. Having reviewed the full circumstances, I'm satisfied it was fair for Wise to apply the account terms as it did – as it had reasonable concerns about the security of the account.

- Whilst I understand why it was frustrating that Wise didn't give Mrs B more notice, and that it then closed the account, I'm not minded to say this was an error which caused her to lose out. Wise was acting to protect her against a risk it reasonably perceived.
- I'm also mindful that Wise only took the step to close the account after advising Mrs B to contact Etsy, the company which the payment came from, to find out more about what had happened – in case, for example, an Etsy account had fraudulently been set up in her name. When Mrs B wouldn't do this, I consider it reasonable that Wise therefore considered there to be an unresolved risk with her accounts, and that it was therefore fair and proportionate to close them.
- Even if I were to conclude that Wise had acted too hastily, I'd then need to consider what the impact of this was on Mrs B. I wouldn't consider it appropriate to direct Wise to reopen the accounts, as it's within Wise's legitimate commercial discretion to decide who its customers are, and on what terms – so long as this isn't unlawful discrimination (which there's no suggestion of here). That includes its requirement that, due to the previous suspension/closure, Mrs B will need to use a different email address. So the main impact I'd be considering would be the disruption caused by the lack of notice.
- Wise promptly offered to transfer the funds to another account. Whilst this took a couple of weeks to complete, that was because it was waiting on account details from Mrs B. It wouldn't agree to her request to transfer the funds to her partner – as is common industry practice for security reasons. She also had access to other/another account(s) in the meantime. Whilst she's explained she needed to open another account for foreign currency, her USD Wise account doesn't appear to have been used regularly or to have a balance (aside from the disputed micro-payment). Overall, even if I did find Wise at fault for not giving notice, I'm not persuaded the level of impact warrants compensation.

I appreciate this will be disappointing for Mrs B, who clearly feels strongly about what's happened. But for the reasons set out above, I'm not persuaded Wise needs to take further action to resolve her complaint.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 18 April 2022.

Rachel Loughlin
Ombudsman