

## **The complaint**

Company I complains that Wise Payments Limited closed its account without notice and hasn't returned the money left in it back to company I.

### **What happened**

Company I opened an account with Wise in June 2020. In July 2020, company I received around \$120,400.00 into its account. Company I attempted to transfer this money out to its director's personal account in three different transactions. Wise blocked the transactions and closed company I's account on 8 July 2020. The money remained in company I's account. Wise told company I they were carrying out due diligence checks on the money left in the account. In December 2021, Wise returned the money left in the account to the original source.

Company I complained to our service. Our investigator thought Wise had acted fairly. He said Wise were entitled to restrict the account and transactions and closed it in line with the terms and conditions. Our investigator was also satisfied that Wise hadn't done anything wrong when returning the money to source.

Company I didn't agree. In summary it said;

- one year and five months to carry out due diligence checks on the money was too long;
- Wise didn't explain any restrictions when it opened the account, provided debit cards, and offered other accounts;
- Company I's director thinks Wise concluded that an account for company I and a personal account for him as a director was considered a duplicate account;
- Wise hadn't considered the impact of Covid-19 and should have waited for our service to decide before returning the money to source;
- the situation had a big impact on Company I's family – especially his children.

As an agreement couldn't be reached, the complaint has been passed to me.

### **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 know this will come as a great disappointment to company I. But I don't think Wise need to do anything differently. I've explained why below.

Firstly, it's important to point out that I'm only considering company I's account as part of this complaint. I'm aware company I's director has concerns over his personal account – and accounts for his family members. I won't be commenting on those in my decision.

As the investigator has explained, Wise has important legal and regulatory obligations it must meet when providing accounts to customers. The obligations are ongoing and do not only apply to when an account is opened. Company I received a large amount of money into its account and therefore I find it reasonable that Wise reviewed things. I appreciate it may

have been inconvenient for company I to learn it couldn't transfer the payment out to its director's personal account like it had hoped, but I can't say Wise treated company I unfairly when blocking the transactions.

Shortly afterwards, Wise made the decision to close company I's account immediately, without notice. They didn't give company I a reason for this – or explain why they blocked the transactions. I understand company I think Wise should have given a reason – or notice – before they closed its account. I can't fairly agree.

Wise can choose to end relationships with customers. This can be due to a number of reasons and they're not obliged to give a reason to the customer. Just the same as if company I decided to end the agreement with Wise – it wouldn't have to explain why. I'm also satisfied Wise complied with the terms and conditions of the account when closing it. And I'm pleased to see they referred to the specific terms (sections 25.2 and 25.3) they relied on. This service won't generally intervene in a bank's commercial decision – especially in instances where we find the appropriate decision has been reached.

I appreciate company I thinks Wise made unfair decisions by allowing it to open extra accounts and issuing debit cards. And it also thinks it considered the company account and a personal account as a duplicate. I've thought carefully about company I's points here, but I can't fairly agree. I've seen no evidence that Wise has made an unfair decision when closing company I's account. 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. Some of the information Wise has provided is information that we considered should be kept confidential. This means that while I can't share the full reasons with company I, I'd like to reassure it, that I'm satisfied Wise's actions were appropriate in the circumstances.

In December 2021, Wise returned the funds which were left in company I's account to the original source. I recognise there was a lengthy time from when Wise decided to close the account in July 2020, to when they sent the money back. Company I's director has explained the impact this had on him as an individual and his family – and company I's developments. Firstly, I can't consider any impact to the director – because the director is a separate legal entity to company I. And in the circumstances of this complaint, company I is Wise's customer. So, while I'm sorry to hear of the difficulties faced, it wouldn't be appropriate for me to comment on them.

I've also seen no evidence to satisfy me that company I was entitled to the money it received in its account. It has explained in its submissions that the contract for which it received the money in question, is highly confidential and it can't disclose anything. Because of that, I can't fairly agree that Wise have acted inappropriately by returning the money to where it came from. I recognise it took a long period of time for Wise to return the money – but I don't agree this time had an impact on company I, because I've seen nothing to suggest the money ever rightfully belonged to it.

Overall, I'm satisfied Wise were entitled to block, review and close company I's account. They're not obliged to tell company I why – or in the circumstances of this complaint, give any notice. And while I recognise the time it took for Wise to send the money back to the original source, as I haven't seen any evidence to satisfy me that company I was ever entitled to the money, I can't fairly agree this impacted it. So, it follows that I won't be asking Wise to do anything to put things right.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 10 February 2022.

Hayley West  
**Ombudsman**