

The complaint

Mr C complains about Wise Payments Limited closing his account and not sending him a final statement. Also, their delays returning his funds.

What happened

In 2019, Mr C opened a personal multi-currency balance account with Wise. This enabled Mr C to store and convert currencies onto his profile so he could upload, send, and receive funds.

In 2020, two unknown credits went on to Mr C's account. Mr C raised these with Wise who reversed them. However, when Wise reviewed Mr C's account, they noticed that Mr C had been conducting business transactions on his account and, as this is prohibited, they made a decision to close his account.

Mr C is dissatisfied as he contacted Wise to report the suspicious payments and Wise returned the money, suspended and closed his account without any consultation.

Mr C complained to our service; however, our investigator didn't uphold his complaint.

As Mr C remains dissatisfied this case has now been referred to me to look at.

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.

Having done so, I'm not upholding this complaint. I appreciate this will be disappointing for Mr C and the following are the reasons for my decision.

Regarding his account closure, whilst I appreciate Mr C's frustration because he was concerned and brought the payment issues to Wise's attention, a bank is entitled to close an account with a customer, just as a customer may close an account with a bank. However, when doing so, it must comply with the terms and conditions of the account.

So, I reviewed Wise's terms and conditions together with their grounds for closure and, although I understand the upset and impact here, I'm satisfied it was a decision Wise were entitled to take and their action is correct and reasonable.

This is because there is evidence on file that Mr C received funds from companies which trade in cryptocurrencies for goods and services. And Wise's terms and conditions clearly state that customers can't use personal Wise accounts to receive business payments. Wise also say that they don't support transactions from companies involved in the exchange or trading of cryptocurrencies.

Mr B's transactions exceeded Wise's risk tolerance and, from reviewing Wise's terms and conditions and acceptable use policy, I'm also satisfied that Wise were also entitled to make a business decision to close Mr C's account without giving notice.

I looked closely at Wise's delay in returning Mr C's funds and not providing a final statement and requested further information.

I should point out that we aren't the regulator of the financial services industry, so this service can't instruct a business to alter its policies, procedures or processes when closing an account.

However, from the information I reviewed, I can see that where Wise believe there to be a risk and they have grounds to be concerned about account activity, including payments and the transactions Mr C queried, their internal policy and procedure is to retain funds for 60 days and not issue a statement. Considering the circumstances of this case I'm satisfied that this action was proportionate for the risks Wise identified.

So, whilst I appreciate Mr C will be disappointed, when considering the above I'm not upholding this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 1 April 2023.

Paul Douglas
Ombudsman