

The complaint

Ms G complains that Wise Payments Limited (“Wise”) have discriminated against her by refusing to accept her non-UK issued passport as identification.

What happened

In or around April 2022, Ms G approached Wise to open an account with them.

To complete their account opening formalities, Wise requested documents to identify and verify Ms G. In response, Ms G provided a copy of her non-UK issued passport. But when doing this, she saw that Wise’s identification guidelines meant her passport wasn’t acceptable to them.

Wise asked Ms G to provide proof of address and an identification document issued by a different country. Ms G provided proof of her address in the UK but said she didn’t have any other acceptable form of identification. This meant Wise weren’t able to verify Ms G’s application. They sent Ms G details of other identification that they could accept.

Unhappy with her experience, Ms G complained to Wise. She thought their actions discriminated against her. In particular, due to her country of citizenship. Ms G wanted Wise to accept her account application and also to pay her compensation of £4,000.

Wise responded to Ms G’s complaint in writing on 21 April 2022. They said that due to the impact of ongoing sanctions specifically relating to the country that issued her passport, it was difficult for them to process transactions relating to that country. In particular, they said they weren’t able to open accounts for any resident of that country.

Wise said that their policy was updated in March 2022 when they stopped accepting identity documents relating to Ms G’s country of nationality. They didn’t agree their actions were discriminatory as they’d made it possible to accept alternative identification documents. Wise said that their policy changes were implemented to ensure they complied with sanctions laws and regulations imposed by different governments and organisations.

Ms G wasn’t happy with Wise’s response, so she referred her complaint to this service. Having looked at all the information and evidence available, our investigator didn’t agree that Wise had treated Ms G unfairly or unreasonably.

Ms G didn’t agree with our investigators findings. She made the following points:

- Wise’s actions are discriminatory even if they do not specifically exclude her from opening an account. The request for alternative identification is specific to her and her country of nationality which other non-UK nationals do not have to comply with; and
- certain alternative verification suggested by Wise did not constitute identification and was, therefore, misleading and confusing; and
- Wise’s Acceptable Use Policy refers to individuals, entities or countries subject to international sanctions. Ms G herself is not subject to those sanctions; and
- as Ms G is not subject to sanctions, Wise’s decision not to accept her passport as identification is their choice and within their control.

As an agreement couldn't be reached, Ms G's complaint has been passed to me to review and consider.

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.

At the outset, I believe it's important to explain the role of this service when considering Ms G's complaint here.

It isn't the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or processes or impose improvements on the level of service offered to their customers. These aspects fall firmly within the remit of the regulator – in this case, the Financial Conduct Authority (FCA).

But it is our role to examine and decide whether a business has been fair and reasonable in the manner in which those policies and procedures are applied in the individual circumstances of Ms G's experience with them. When considering her complaint, I've also considered any relevant rules and regulations set down by the FCA in their handbook – where they apply.

It's also relevant to stress that this service's role as an Alternative Dispute Resolution Service (ADR) is to provide mediation in the event of a dispute. While the decision of an ombudsman can be legally binding, if accepted by the consumer, we do not provide a legal service.

Further, it's important to note that we cannot make a legal finding that the Equality Act has been breached or that Wise's actions constitute race discrimination – the Act makes clear that this is exclusively a matter for the courts. However, as part of my investigation I do take the law, best practice and industry guidance into account so I can make a finding on whether I think Ms G has been treated fairly and reasonably.

There is no dispute that Ms G's country of nationality is currently subject to international sanctions and restrictions. As a result of these, the FCA issued a statement providing guidance to businesses. In particular, the FCA said they *"expect firms to have established systems and controls to counter the risk that they might be used to further financial crime and this includes compliance with financial sanctions obligations"*.

Wise have explained that following the introduction of international sanctions here, they experienced high numbers of account applications where attempts were being made to bypass established verification measures. In response to this, Wise made a policy decision to stop accepting identification documents issued by this sanctioned country. The policy applies to all applications and is not specific to Ms G's own circumstances.

Wise are aware that most of the sanctioned country's citizens residing abroad hold alternative identification they can accept. These include:

- passport from a third country,
- driving license from a third country,
- permanent residency card,
- work visa,
- copy of naturalization or citizenship certificate,
- student or other visa valid for more than six months.

Wise have provided a copy of this list to Ms G.

I've considered Wise's requirements here and whether they could be considered as unreasonable or unfair. Ultimately, the driver behind Wise's policy is to ensure they can confidently comply with their regulatory and legal responsibilities. Their policy applies to all foreign nationals of the sanctioned country here – not just to Ms G. Having carefully considered Ms G's own comments and observations, I don't agree that Wise has treated her unfairly or unreasonably. Particularly as they've provided reasonable alternatives to assist Ms G in complying with their requirements.

I appreciate that Ms G's experience will have been very frustrating and upsetting. But while I realise she will be disappointed; I can't reasonably conclude that Wise did anything wrong here.

My final decision

For the reasons set out above, I don't uphold Ms G's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 19 October 2022.

Dave Morgan
Ombudsman