

The complaint

Mr D is unhappy with the service he's received from Wise Payments Limited, trading as Wise, surrounding fraud concerns he had on his account.

What happened

Mr D contacted Wise as he was concerned that an unknown party was attempting to access his account. Wise checked Mr D's account for potential fraud but couldn't find evidence of any. Mr D then transferred money into his Wise account but found that his account had been restricted pending further checks. Mr D wasn't happy about this, or with the lack of information Wise would give him about these further checks, so he raised a complaint.

Wise looked at Mr D's complaint. They didn't feel they'd acted unfairly by completing the further checks that they had, especially as Mr D had expressed concerns about potential fraud. However, Wise did acknowledge that they hadn't responded to emails sent by Mr D about this in a timely manner. Wise apologised to Mr D for this and offered to make a payment of £50 to him as a gesture of goodwill. Mr D wasn't satisfied with Wise's response, so he referred his complaint to this service.

One of our adjudicators looked at this complaint. They didn't feel Wise had acted unfairly in how they'd managed the situation, and so they didn't uphold the complaint. Mr D remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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.

Wise has a two stage account log-in process which includes the sending of a log-in code to an account holder's registered mobile phone so that the account holder can then verify that the log-in request that generated that code came from themselves.

Mr D became concerned about potential fraudulent activity on his account because he received log-in codes, asking him to verify that he wanted to log-in in to his Wise account, at times when he hadn't attempted to log-in to his account himself.

It's unclear why Mr D was receiving the erroneous log-in codes that he did. But Wise conducted a check of Mr D's account and concluded that no illegitimate attempts to log-in to Mr D's account were taking place. Wise then advised Mr D of their findings and suggested he change his password as a precaution, which Mr D did. This all seems reasonable to me, and while I can appreciate that Mr D might have liked more information about why he was receiving the log-in codes as he did, it seems plausible that he may have received the codes for reasons not readily discernible to Wise, including potential network connectivity issues.

Mr D is unhappy that when he then moved money into his Wise account, his access to that money was blocked while Wise undertook further checks into his account. But financial businesses such as Wise have an obligation to protect their account holders' money. And

given that Mr D had raised concerns about potential fraud taking place on his account, I don't feel it's unreasonable for Wise to have undertaken the further checks they did.

Mr D notes that he'd made similar transfers into his Wise account previously, none of which had been selected for further checks. But it doesn't follow from this that such transfers would never be selected for further checks. And as explained above, I don't feel that Wise should be considered as acting unfairly or unreasonably by performing them.

Mr D is also unhappy that Wise won't confirm that similar checks won't be performed in the future or given him more information about the checks. But I don't feel that Mr D's expectations here are reasonable. This is because any fraud prevention system, such as the one Wise employ, must work on the possibility that any movement of money may potentially be subject to further scrutiny. Otherwise the system will have blind spots that may be exploited. Similarly, if knowledge about how a fraud prevention system works is released into the public domain, then that information may be potentially be acquired and abused by persons looking to illegitimately circumnavigate that fraud prevention system.

Unfortunately, the employment of fraud checks on transactions and accounts can lead to an unavoidable degree of necessary inconvenience, and I feel that this's what's happened here. But I don't feel that Wise have acted unfairly by conducting the further checks that they did, and I note that the use of these checks is declared and permitted within the terms of the Wise account. I also note that the period that Mr D was unable to access the money placed into his account was less than 24 hours, which doesn't seem unreasonable or excessive.

Finally, Mr D is unhappy that Wise didn't respond to the emails he sent chasing a response to his complaint in a timely manner. Mr D raised his complaint with Wise on 5 August 2021, from which time Wise had eight weeks to issue a response. Wise issued their response to Mr D's complaint on 21 September 2021, which was within the eight-week timeframe allowed. So, while I can appreciate that Mr D is unhappy that Wise didn't respond to the emails he sent during that eight week period, I don't feel that Wise have acted unfairly in regard to how long it took them to respond to his complaint.

However, Wise have accepted that they could have acknowledged Mr D's emails upon receipt, and they've apologised to Mr D for not doing this and offered a payment of £50 as a good will gesture to him. This seems fair to me, and I leave it to Wise's discretion as to whether that offer is still available to Mr D, should he choose to accept it.

All of which means that I don't feel that Wise have acted unfairly or unreasonably in the manner that Mr D contends here, and it follows from this that I won't be upholding this complaint or instructing Wise to take any further action. I hope Mr D will understand, given what I've explained, why I've made the final decision that I have.

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 D to accept or reject my decision before 7 December 2022.

Paul Cooper
Ombudsman