

The complaint

Mr S complains that Wise Payments Limited won't refund a payment he made with incorrect details and he says they breached their terms and conditions.

What happened

Mr S says he made a payment using Wise's systems, but the account holder name did not match the account number as it contained a typo. He says Wise were unable to cross check the accuracy of the information, which resulted in the transfer being made to an incorrect account and he had lost his money. Mr S says Wise have breached their contract and he made a complaint to them.

Wise did not uphold Mr S's complaint. They said that on 14 February 2022, Mr S contacted their customer services via their chat support to advise them that he had made a mistake with the account details used to send the payment. They initiated a payment recall on 16 February and their team advised that the recall request had been submitted. Wise say that on 1, 9, 16 March they updated the request, however, they received no further updates at the time. Wise said that later on 16 March 2022, they received an update from their partner bank that the recall request had been denied, due to receiving no response from the recipient bank. Mr S brought his complaint to our service.

Our investigator did not uphold Mr S's complaint. She said that she was satisfied that Wise hadn't made any errors, as they sent the funds to the account details provided on the instruction by Mr S. She said after he had contacted them to inform them of the error, Wise attempted to recall the funds but this was unsuccessful.

Mr S asked for an Ombudsman to review his complaint. He made a number of points. In summary, he said that Wise breached section 12.13 of their terms and conditions and they breached the Electronic Money Regulations 2011 as he had not had any proof of evidence of a recall being made and submitted to their partner bank, nor evidence of the recall request updates by Wise, and no evidence from Wise's partner bank confirming they'd not received a response to the recall request.

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.

Mr S has made a number of points to this service and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

Mr S has complained that Wise, has breached the Electronic Money Regulations 2011. I've taken the Electronic Money Regulations 2011 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr S wants a decision that Wise has breached the Electronic Money Regulations 2011, then he'd need to go to Court.

I'd like to explain to Mr S that it is not within this service's remit to tell a business what their reasonable efforts should consist of to recover any money paid as a result of an incorrect payment. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Wise to make changes to their policies and procedures, if necessary. Our service acts as an informal dispute resolution service for complaints about financial businesses. We look at the circumstances of individual complaints and, on a case by case basis, taking into account relevant industry guidance for example, make findings about whether a financial business has failed their customer.

I also must be clear that I will only be looking into the actions of Wise here and not any partner bank or any other business, as Mr S's complaint that he has brought to our service is against Wise only.

I've looked at section 12.13 of Wise's terms and conditions. They say *"What happens if you provide us with incorrect information. If you provide incorrect information with your payment order, we will use reasonable efforts to recover the funds for you, and may need to charge you a fee for that."*

So I've looked at Wise's system notes to see how they have attempted to recover the funds. These show that on 16 February 2022 at 10:12am, that Wise submitted a recall request. The notes show on 17 February at 9:30am that they had a reply from the partner bank which read *"Your request is submitted and should be completed on or before (18 March 2022)"*. So I'm satisfied that Wise successfully managed to raise a recall request as this was acknowledged by the recipient bank.

On 1 March 2022 at 08:45, there is a system note from Wise after checking on the recall which says *"No updates"*. Another system note on 9 March at 06:59am states *"no updates, within timeframe, leaving on hold"*. Then a system note on 16 March at 10:14am says *"no updates, within timeframe, leaving on hold. ETA 03/18/2022."* On 16 March at 16:00pm, there is a system entry which shows the partner bank had replied to them by saying *"This request is denied due to no response from the bank"* and *"please let the cst know the recall was denied as the bank provided NO response"*.

So I'm persuaded that Wise did not break their terms and conditions. Mr S unfortunately entered the incorrect details on the payment request. As there is no Confirmation of Payee scheme for international transfers, they would have been unaware that the account holder's name did not match the payment details given to them by Mr S. Wise's terms and conditions under 12.12 state *"You must ensure the information you provide to us is correct. You must make sure that the information you provide when setting up a payment order is accurate. If we have processed your order in accordance with the information you have provided to us it will be considered correctly completed even if you have made a mistake."*

I'm satisfied that Wise did process the information that Mr S provided to them. But then he told Wise he made an error with the account details. So while I have sympathy with Mr S's situation here, I can't say that Wise were responsible for the funds going to an account which Mr S did not intend them to go to. Wise do not guarantee that they are able to recall the funds were their customer inputs incorrect information. They made efforts to recall his funds, but ultimately, they were unsuccessful. Mr S may wish to seek independent legal advice in order to recover these funds. But as Wise have not made any errors, it follows that I won't be asking Wise to do anything further here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2022.

Gregory Sloanes
Ombudsman