

## **The complaint**

Miss A complains that Wise Payments Limited, trading as Wise, cancelled two transfers that she requested.

## **What happened**

Miss A initiated two transfers on 25 and 26 March 2020. Transaction #130217202 for \$150,000 Canadian dollars ("CAD") and transaction #130390715 for \$4,000 CAD. These were being converted to Georgian Lari ("GEL").

Wise cancelled these transfers as the exchange rate dropped by more than 5% while the funds were on their way to them. The \$4,000 transaction was refunded almost immediately. However, the \$150,000 transfer took three days to be credited to Miss A's Wise account. This meant she could not re-do the \$150,000 transfer until 30 March 2020, and in that time the exchange rate had dropped from what was originally guaranteed. This led to a financial loss for Miss A.

Miss A complained that the funds had left her bank account and been received by Wise's bank account in Canada prior to the 5% drop in the exchange rate. Because of this, she felt Wise was wrong to cancel the transactions and that they should have honoured them. She was also unhappy that information about the cancelled transactions were no longer showing in her Wise profile and felt these had been deleted by Wise.

Wise responded and explained that while the funds had been received by their partner bank prior to the drop in the exchange rate, they were not received by Wise until afterwards. This is because the funds were due to be imported during normal banking hours, which was after the drop in the exchange rate. As the exchange rate dropped by more than 5%, the transactions were cancelled as per the terms and conditions of the user agreement. They also said that if Miss A wanted to see her cancelled transactions, she could search for them on the website as these had been hidden, but not deleted.

Miss A referred the complaint to our service. Our investigator assessed it and felt Wise acted reasonably when it cancelled the two transactions. They explained that while the funds had been received by Wise's partner bank, they still had to be cleared into Miss A's Wise account in order for the transfer to proceed. And this didn't happen until after the exchange rate had dropped, so they didn't think Wise had made an error in cancelling the transactions. They also explained that Wise had not deleted information about the transfers on Miss A's account, and instead this information had been 'hidden' but could be located again.

Miss A disagreed with the outcome. She still felt that as the payment had been received into Wise's Canadian bank account prior to the drop in the exchange rate, they should not have cancelled the transactions. She felt she was being penalised because Wise decided to have multiple bank accounts for transactions to move between. And she said that the funds would not have had to reach her own Wise account in order for the transaction to be processed, it just had to be received by Wise. She was also still unhappy that the bank had hidden

information about her account and the cancelled payment. She also felt some of the information showing was incorrect. In addition, she said the investigator's findings were heavily focussed on the user agreement, but she felt Wise could have amended the agreement following her complaint to suit their outcome.

As an informal agreement could not be reached, the complaint has been passed to me 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.

Having done so, I think Wise acted reasonably by cancelling the two transactions and I don't think it has made an error in the circumstances. I'll explain why.

Looking at the terms and conditions under the user agreement for the account, they state that: *"If the relevant exchange rate (as provided by our reference exchange provider) changes by 5% or more during the Guaranteed Period, we can, at our option, suspend your transfer for a reasonable period of time or cancel your transfer and refund the money to you."*

Wise has confirmed that the guaranteed period for transfer #130217202 was due to expire on 27 March at 20:41 UTC and transfer #130390715 was due to expire on 30 March 2020 at 16:25 UTC.

Wise has shown that the exchange dropped by more than 5% at 6:43 UTC on 27 March. I appreciate Miss A has also provided some graphs showing how the exchange rate changed around that time, but some of these are not very clear and don't show the specific timings. Wise has provided a clear timeline of the exchange rate which is what I've relied on.

I'm satisfied that the exchange rate dropped by more than 5% within the guaranteed period for each transaction. And I'm satisfied that Wise has therefore cancelled both transactions in line with the terms and conditions of the user agreement as set out above.

Miss A has also made the argument that she feels Wise received the funds prior to the exchange rate dropping, so she thinks they should honour the transfers. This is because her bank has evidenced that they sent the funds to Wise's Canadian bank account just after midnight on 27 March. Wise has said that while the funds were received by their partner bank at that time, they weren't sent to Wise's own account to be exchanged until after 10:00 UTC on 27 March, which was after the exchange rate had dropped by 5%.

While I understand Miss A's argument, I do not agree. Wise may have received the funds into a partner bank account, or another account in their name, but they did not receive the funds into an account that would allow them to begin the exchange process until after 10:00 UTC. So, I do not agree that Wise *received* the funds prior to the 5% exchange rate drop. And irrespective of that, as explained above, because the exchange rate changed by more than 5% or more during the guaranteed period for both transactions, I think it was reasonable for Wise to cancel both transactions.

Miss A has questioned why Wise only makes payments during normal banking hours and what normal banking hours would be classed as. This will change from bank to bank, but overall, I don't think the concept of 'normal banking hours' is unusual, and this would typically be between 9am to 5pm in each respective country. This is a business decision that Wise has made and is not something I'm able to influence. I can see that Wise has clearly

set out that they operate under normal banking hours in their frequently asked questions, which forms part of their user agreement.

Ultimately, I don't think Wise caused any unnecessary delays during the journey of both of the transactions. I think it was unfortunate timing for Miss A that the exchange rate changed by more than 5% during this process. But I'm satisfied that Wise has acted reasonably and in line with the terms and conditions of the account. They made the decision to cancel the transaction rather than suspend it, which is their choice to make. And I think they returned both transactions to Miss A within a reasonable timeframe.

Miss A has said the user agreement could have been changed by Wise following her complaint to suit the arguments they made. The user agreement provided which was relevant at the time would not have been tailored individually to Miss A and would have been available on Wise's website for all other users. I'm satisfied Wise has provided a relevant user agreement that has not been tampered with.

Miss A says Wise has hidden information about her transactions and did so without informing her. And she feels some of the information held about the cancelled transactions on her account is incorrect. Miss A has said she received a notification from Wise about cancelled transactions being 'hidden' in her account on 16 August 2020 and how she can access these. But she's said that the transactions were hidden prior to that date without notification. I accept this is possible, though I haven't seen all of the notifications provided on Miss A's account. From the screenshots Mrs A has provided, it does appear that different information has been provided about transaction #130217202 in terms of the exchange rate that was quoted when the transfer was requested. But it's difficult to see when each screenshot was taken and how they fit together.

It's not clear if Wise did provide prior notification that they would be hiding cancelled transactions, but I have to consider that information about the cancelled transactions was still available to Miss A had she searched for it. And it's possible the current information about the quoted exchange rate on the cancelled transaction is incorrect. But I don't think this has any bearing on the outcome of this complaint. And ultimately, I don't think that Wise has acted unreasonably in cancelling the transactions, so I don't think they have caused Miss A any financial loss. So I don't think Wise has to do anything further about the possible incorrect information held about the cancelled transactions.

### **My final decision**

My decision is that I do not uphold Miss A's complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 December 2022.

Rebecca Norris

**Ombudsman**