

The complaint

i, a limited company complains that Wise Payments Limited (trading as Wise) failed to properly deactivate his account and caused delays returning funds paid into the account. i is being represented by its director, who I'll refer to as Mr J – for ease, I'll mainly refer to Mr J in my decision.

What happened

Around February this year, Mr J asked Wise to deactivate his account. However, following the deactivation, around £10,000 was paid into the account. After Mr J queried this, Wise attempted to return the payment to the sender's account, but it was unable to do so successfully. Eventually, the decision was made to reactivate Mr J's account so that he could access the funds himself and move the balance elsewhere. All in all, Mr J didn't have access to these funds for around three months.

After he complained, Wise responded explaining that it had made an error when it deactivated Mr J's account and this is why a payment was successfully deposited by a third party. Wise says it tried to return the funds to the sender, but the transaction bounced back on two occasions. Wise also pointed to delays caused by its internal systems that meant Mr J had to wait longer before he could access the funds himself. To compensate Mr J for the problems it caused, Wise offered him a total of £443 compensation.

Mr J remained unhappy and asked this service to review his complaint. Mr J says he had to cancel business projects and he was invoiced €25,000 by a third party because of this. Mr J adds that Wise's errors caused damage to his reputation, loss of business and affected his ability to expand his operations. He also mentioned that his health had been impacted. At the time Mr J contacted this service, he felt £100,000 compensation would be fair.

One of our investigators decided that Wise should increase its compensation offer by a further £250 because of the inconvenience it caused Mr J. Although the investigator agreed Wise had made errors, she didn't think there was enough to link what Wise had done wrong to the business losses Mr J referred to.

Mr J didn't agree and he now wants a higher amount of compensation. So the complaint has been passed to me to decide.

My provisional findings

I recently issued my provisional findings, in which I said:

I disagree with our investigator's recommendation that Wise pay more compensation than it has already offered – I think the compensation Wise already offered Mr J in its final response is a fair way to settle this complaint and I'll explain why.

I don't think I need to set out in detail the mistakes Wise made as it already accepts that it made errors. Wise agrees that it didn't deactivate Mr J's account properly – resulting in the funds successfully being paid into his account after the deactivation was completed – and it

accepts that its own internal systems issues caused a delay in Mr J gaining access to these funds. So all that remains for me to consider is the level of compensation that I think is reasonable here.

As I pointed out, Mr J was left without access to these funds for around three months. But I can see from the notes Wise provided us with that, for at least some of this time, Wise had been taking steps to return the funds to the sender. And Wise has demonstrated that the transaction bounced back on two occasions. So I'm satisfied that, once Wise discovered its error, it attempted to put things right as quickly as it could. It's unclear exactly why the funds wouldn't return to the sender, but I haven't seen anything that makes me think this was because of something else Wise did wrong.

Once Wise agreed on an alternative option, it seems this was delayed by what Wise describes as an internal systems issue. Mr J says he was inconvenienced by what Wise did wrong as he had to contact Wise several times during this period and he was without the funds in question for several months. So I agree that compensation is reasonable here. Wise offered Mr J (on behalf of i) a total of £443 compensation – this is within the region of what I would've asked Wise to pay had it not offered anything at all. And I'm currently of the opinion that this level of compensation fairly accounts for the inconvenience of Wise's original error, the delays it later caused and that it seems Wise made reasonable attempts to return the funds.

Mr J wants Wise to pay him a significantly higher amount of compensation. He points to the impact to his own health as one of the reasons why. I'm sorry to hear about Mr J's health problems, but the complaint here has been made by i and Mr J is acting as a representative of i. As our investigator pointed out, i is a legal entity, so I can't make a compensation award to its director or make an award to i for the distress Mr J has suffered. However, I can make an award to i for inconvenience and, as I've explained above, I'm intending to conclude that the offer Wise has already made fairly accounts for the inconvenience i has experienced.

Mr J says his business has suffered losses because of what Wise did wrong. He says two projects had to be cancelled because he couldn't make a payment when it was due and that he had to pay a sum to a third-party company because of the cancellation. Mr J adds that his business opportunities have been impacted – so income and expansion plans have been affected too. Based on what I've seen, I'm not persuaded that the losses Mr J describes can reasonably be attributed to what Wise did wrong.

Mr J provided a copy of the invoice showing the fee he had to pay because of the cancelled projects. But I haven't seen anything that demonstrates a link between what Wise did wrong and the cancellation of the projects. I can see our investigator asked Mr J if he had further information that could demonstrate a link – but Mr J was unable to provide this. I've seen an email chain from around March, in which Mr J informs Wise that he is planning to register his business as dormant and refers to a client that had moved to a third-party company. So, although I accept that Mr J experienced delays in accessing the funds that Wise incorrectly allowed to be deposited into his account, on balance, I don't think Wise's actions caused Mr J a loss of business or impacted his expansion plans.

For these reasons, I don't intend to ask Wise to increase its compensation offer.

Wise accepted my initial findings. Mr J didn't agree and largely reiterated some of his existing submissions. In particular:

- Mr J points out that he requested that Wise deactivate his account in order to bypass the payment he was expecting. He said he also asked that Wise reactivate his account shortly after this, but something went wrong.

- Mr J provided emails from the third party that sent the payment and points to this as evidence that Wise didn't attempt to send the funds back, denying him access to it for three months.
- Mr J reiterated the impact to his business and pointed to his account statements as proof of this. He also referred to the inconvenience and distress caused to him personally.
- Mr J points out that he wants a total of £375,000 compensation.

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.

I've considered Mr J's recent comments, but my decision remains the same. So I won't be asking that Wise increase its compensation offer. I'll address Mr J's recent comments below:

- I can see from the chat log Wise sent us, that Mr J did indeed ask Wise about temporarily deactivating his account. Wise advised that he needs to email to request the deactivation and then email again when he wants to reactivate his account. As I pointed out, Wise already accepts that it failed to deactivate the account properly, which is what led to the funds arriving in Mr J's account.
- The third-party emails Mr J points to aren't enough for me to fairly conclude that Wise didn't attempt to return the funds. The emails confirm that the funds didn't arrive in the third party's account, but Wise has provided its own records showing it did make two attempts to return the funds and these were unsuccessful. There isn't anything I've seen that points to Wise being at fault for the return of the funds being unsuccessful.
- I've already explained in my provisional findings why I don't find that Wise's errors are what led to the loss of business that Mr J says he experienced, so I won't repeat my comments again. Mr J can be assured that I've taken all his submissions into account. And as I've explained, I can't make an award for any distress Mr J personally suffered, as the complaint has been brought by the legal entity he is representing.

So my decision remains the same and I won't be asking Wise to increase its compensation offer. Should Mr J accept my decision, Wise can go ahead and pay him the £443 it has offered to pay.

My final decision

For the reasons above, my final decision is that Wise Payments Limited has offered a fair resolution to this complaint. If i accepts, Wise Payments Limited should pay i the £443 it has offered to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask i to accept or reject my decision before 11 November 2022.

Abdul Ali
Ombudsman