

The complaint

Ms B complains that Wirex Limited blocked her account.

What happened

Ms B had an account with Wirex. The service allowed her to hold both money and cryptocurrency. In April 2021, Wirex blocked the account. It said it had temporarily limited Ms B's account while it carried out a review.

On 29 May 2021, Wirex completed its review and decided to close Ms B's account. It asked Ms B to provide details of an external crypto wallet to transfer her cryptocurrency to. Ms B provided details of a crypto wallet. Wirex says it then sent the outstanding cryptocurrency to Ms B on 7 June 2021. Then on 15 July 2021, Wirex said there were outstanding balances – a combination of euros in her currency account, together with some Wirex WXT tokens. Wirex asked for bank details and paid this to her in August 2022.

Ms B thinks she's been treated unfairly. In particular, she says the restrictions on her account prevented her selling her cryptocurrency at a time when it peaked in value. Dissatisfied, she referred matters to us.

Our investigator looked at all of this and concluded the complaint should be upheld. She recommended Wirex pay £200 for the trouble and upset it caused, and pay simple interest at 8% a year on the amounts transferred to Ms B's external bank account. Wirex agreed with the investigator. Ms B thinks she should receive further compensation in respect of the cryptocurrency. As we couldn't resolve matters informally, the complaint has been referred to me.

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.

Financial businesses like Wirex are subject to a number of legal and regulatory requirements. This means they may need to review a customer's account at any time – and when it does so, it doesn't need to give reasons. And when it does so, it may need to block the account. Looking at everything, I'm satisfied that Wirex was acting in line with its legal and regulatory requirements when it blocked and reviewed the account.

Wirex then carried out its review. I see it took until 29 May before Wirex told Ms B it planned to close her account. I'd expect Wirex to carry out its review in a timely manner – and in this case, I think at least some of this delay was avoidable.

Finally, Wirex decided to close Ms B's account. The terms and conditions that apply to Ms B's account said that Wirex could terminate Ms B's account at any time by giving 2 months' notice. In some circumstances, it could close the account immediately. Looking at everything, I'm satisfied Wirex was able to close the account – though based on what I've seen, it's not clear that it had grounds to do so immediately.

I've therefore gone on to think about whether Wirex needs to do anything to put things right. As I've said, I'm satisfied Wirex was entitled to block and then close the account. But I think it could have completed its investigation quicker. As a result, Ms B didn't have access to her assets for longer than she should have. I also see that Ms B contacted Wirex a number of times to ask them to put things right. Finally, although Wirex released some of Ms B's cryptoassets in June 2021, another month passed before it paid the remaining balance into Ms B's bank account. I think if things had happened as they should this would all have happened sooner.

Where I decide a complaint should be upheld, any redress I award is intended to put the complainant as far as possible in the position they'd be in if things had happened as they should have done.

Ms B says that because of Wirex's actions she lost the chance to sell her cryptoassets at their peak. Looking at the price of the asset in question, I see that it remained high from February to early May 2021, but then rapidly fell in value: by the beginning of June it had fallen in value by nearly 40% from its peak.

I don't doubt that, with the benefit of hindsight, Ms B wishes she'd been able to sell her cryptoassets in April 2021. But that doesn't mean Wirex needs to pay Ms B these losses – the value of this cryptoasset can rise and fall rapidly, and so this loss would only have crystallised if Ms B intended to sell the assets in question.

We've asked Ms B for details about this. We've asked her if there was a particular reason she intended to sell these assets – and whether she did so once the assets were released. But Ms B hasn't provided details about this. She's also sent us a ledger for her external cryptoasset wallet. But this doesn't persuade me she intended to sell the cryptoassets – indeed, it appears that she may in fact have had more of the cryptoasset in her external wallet at this time that she didn't sell. I acknowledge that Ms B says it might have taken some time to arrange to open a new account with another crypto exchange, during which time the value of the assets might fluctuate further. But based on what I've seen, it's not possible for me to conclude Ms B would most likely have sold these assets – or at what price she would have done so. Wirex has transferred the cryptoassets to Ms B's external wallet. I'm not going to tell it to do more.

Turning to the other assets in Ms B's account – the euros and the WXT tokens – the investigator recommended that Wirex pay Ms B these if it hadn't already, plus 8% simple interest a year from 27 April 2021 to the date Ms B got it back, to compensate her for the time she's been out of pocket. Wirex has agreed to this – and confirmed it has already sent Ms B these funds. I think if things had happened as they should have done, Ms B would have got this payment sooner, so I think it's right that Wirex pay interest.

Ms B thinks that she should get interest on the rest of the cryptoassets. But these assets were not money, nor were they converted into money. These are speculative assets – their value fluctuates. And so I'm not persuaded it would be fair to award interest.

Finally, I've considered the service Ms B has received. As I've said, I think it probably took longer than necessary for Wirex to complete its review, and I'm not persuaded it was fair to close the account immediately. That said, once it completed its review it returned the cryptoassets promptly – and Ms B transferred them to an external wallet and so was able to do what she wanted with them. The review took, perhaps, a few weeks more than it should have. In the circumstances, I award £200 for the trouble and upset this caused.

Putting things right

For the reasons above, Wirex should:

- Pay Ms B £200 compensation
- Pay interest at 8% a year simple on the £185.90 it returned to Ms B's bank account, from 27 April 2021 until 16 August 2022.

If HM Revenue & Customs requires Wirex to deduct tax from this interest Wirex should tell Ms B how much it's taken off. It should also send Ms B a certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I uphold Ms B's complaint. Wirex Limited should put things right by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 30 December 2022.

Rebecca Hardman
Ombudsman