

The complaint

Company E (“E”) complains Wise Payments Limited (“Wise”) restricted and blocked its account – and have continued to withhold around 90,000 Euros, and a nominal amount in a sterling account, from it.

E wants the money returned to it. It also wants compensation for the loss of business, loss of reputation and inconvenience caused by Wise’s actions. It’s also asked for a letter of apology from Wise.

What happened

In December 2021, Wise deactivated and restricted E’s account. Wise also withheld the funds in the account and continue to do so.

Unhappy with what Wise had done, E complained. In summary Wise responded that E’s account would remain closed, and funds in the account have been frozen by law enforcement. Wise also said it had failed to properly acknowledge E’s complaint and offered compensation of £75 for this.

E then referred its complaint to this service. One of our Investigator’s looked into it and concluded Wise had done nothing wrong. In short, they said Wise had complied with regulatory, statutory, and legal obligations in blocking and closing the account – and by withholding the funds.

E did not agree. It said it wasn’t complaining about Wise following its processes properly but wanted to know when and how the funds will be given to it.

As E didn’t agree, the complaint has now been passed to me to decide.

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’ve decided not to uphold this complaint. I know this will disappoint E, so I’ll explain why.

Regulated financial businesses, like Wise, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means it needs to restrict, or in some cases go as far as closing, customers’ accounts.

I’ve looked carefully at the information Wise have given me about concerns it had. And having done that, I’m satisfied it acted in line with the obligations it must follow when restricting E’s account.

Wise is entitled to close an account just as a customer may close an account with it. But before Wise closes an account, it must do so in a way, which complies with the terms and

conditions of the account.

The terms and conditions of the account, which Wise and E had to comply with, say that it could close the account by giving at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Having looked at the information given to me by Wise, I'm satisfied it was entitled to close the account in the way that it has done. Neither Wise, nor I, are under any obligation, that I'm aware of, to give a reason. I note, as above, that Wise did give E some explanation in its final response.

I now get to the crux of E's complaint – that is, whether Wise are acting fairly by withholding the funds and when they will likely be released to it.

Having seen Wise's reasons and evidence for withholding the funds, I'm satisfied it isn't acting improperly – I'm satisfied it's following the legal and regulatory obligations it must adhere to. As I don't think Wise are doing anything wrong, I won't be asking it to release the funds to E, nor am I able to say if, and when, they will be released.

As I'm satisfied Wise are acting in line with obligations placed on it, and that its acting both fairly and reasonably, I won't be directing it to pay compensation for any financial loss, inconvenience, and loss of reputation.

As I don't think Wise have acted improperly, I also won't be asking it to issue a letter of apology.

My final decision

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 23 March 2023.

Ketan Nagla
Ombudsman