

## **The complaint**

Mr T complains Wise Payments Limited (“Wise”) blocked and returned his payment which was sent for a Cuban humanitarian cause. Mr T adds that Wise’s actions are not in line with UK regulations.

## **What happened**

In July 2022, Mr T sent a payment of £1 which was converted into Euros to a Belgium bank. The payment had “Cuba” in its reference. Wise reviewed this payment and was told by Mr T that it was bound for Cuba to help with medical aid.

Following its review, Wise cancelled and returned the funds to Mr T within a day of it initially being instructed to process it. Unhappy with Wise’s decision, Mr T complained.

Wise didn’t uphold Mr T’s complaint. In summary, it said:

- Wise conducted its check in line with its ‘Customer Agreement’ which sets out that it’s required by law to carry out necessary security and customer due diligence checks
- Its ‘Acceptable Use Policy’ sets out that it doesn’t provide services to individuals, entities, or countries that are subject to international sanctions. So as the transfer was related to Cuba, it was cancelled. And in doing so Wise has acted fairly

Mr T referred his complaint to this service. One of our Investigator’s looked into it, and recommended it isn’t upheld. Their key findings were:

- Wise were complying with its legal and regulatory obligations when it blocked Mr T’s payment to carry out further checks
- Mr T said the payment was for medical aid in Cuba. Wise returned the payment as it was unable to send payments directly or indirectly linked to Cuba. Wise’s website doesn’t list Cuba as a country that can receive payments from it. And this forms part of Mr T’s agreement with Wise
- The impact of returning the payment was minimal as Wise did so within a day of it being initiated

Mr T didn’t agree with what our Investigator said. In summary, his main points in response were:

- Wise wasn’t complying with UK law, which permits payments directed to Cuba
- So the Investigator was wrong to say Wise was unable to send payments connected directly or indirectly to Cuba

As there is no agreement, this complaint has 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 to not uphold this complaint. I'll explain why.

Wise has important legal and regulatory obligations it must meet when processing payment instructions for its customers, which includes ensuring no UK or other international sanctions might be breached. Those obligations are overriding in terms of otherwise meeting general timeframes for processing payments. And this is the same for every bank or Electronic Money Institution. This does mean that sometimes payment instructions are justifiably declined.

Given the obligations Wise must follow, I'm satisfied it acted in line with them when reviewing Mr T's payment. Wise contacted Mr T after it withheld his payment to carry out a review. This involved asking him about his £1 payment to a Belgian bank which had his name and 'Cuba' as its reference.

Wise's Acceptable Use Policy section 1.2.3 restricts "*Businesses with relations or activity directly or indirectly linked to Cuba*". It also sets out that Wise doesn't provide services to individuals, entities, or countries that are subject to international sanctions. I note also that Cuba isn't a country Wise lists as one it sends payments too.

So because of this I'm satisfied Wise had fairly applied the provisions in its terms and conditions of account in not processing Mr T's payment. After all, Mr T said it was bound for Cuba – an internationally sanctioned country.

Mr T says that as a regulated UK financial business, Wise has no such legal obligation to not process his payment bound for Cuba. But Wise must comply with wide ranging legal and regulatory obligations which include preventing financial crime and complying with international sanctions.

Given its likely a payment to Cuba could engage with international sanction law, I'm persuaded Wise has acted fairly and reasonably in returning this payment to Mr T - and not processing it in line with his instructions.

If Wise fails to meet UK and international sanctions it could face serious repercussions. This is more pertinent given its business model frequently involves it processing internationally bound payments. So I'm satisfied by taking the approach it did, Wise acted reasonably and proportionately in the circumstances.

Lastly, I'm satisfied Wise completed its review without causing undue delay.

## **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 Mr T to accept or reject my decision before 19 April 2024.

Ketan Nagla  
**Ombudsman**