

The complaint

Mr R is unhappy that Wise Payments Limited closed his account without notice and didn't return the £20 that was present in the account to him. Mr R is also unhappy that the closure of his account meant he could no longer access his account statements, and that Wise haven't responded to an appeal he made about the closure of his account.

This complaint relates solely to the personal account Mr R held with Wise and not to the business account he held, which is the subject of a separate complaint.

What happened

Mr R held business and personal accounts with Wise. In December 2021, Wise contacted Mr R regarding his business account and asked him to provide the full name, full date of birth, and country of residence for a co-director of the business Mr R was a director of. Mr R didn't want to provide this information to Wise, and so he raised a complaint.

Wise didn't respond to Mr R's complaint for several months, and when they did it resulted in a disagreement between Mr R and Wise. This led to Wise taking the decision to no longer offer their services to Mr R in regard not only to his business account, but to his personal account also. Mr R wasn't happy about this, so he referred his complaints about both accounts to this service.

One of our investigators initially looked at this complaint about Mr R's personal account, but after they left this service, this complaint was taken up by another investigator. They didn't feel that Wise had acted unfairly by deciding to close Mr R's personal account as they had, and they felt that Wise had been able to demonstrate that they had sent statements for the personal account to Mr R.

However, our investigator noted that Wise hadn't reimbursed the £20 account balance back to Mr R in a timely manner, so they said that Wise should pay £150 to Mr R – in addition to £50 Wise had already paid to him – as compensation for the inconvenience and upset he'd incurred because of this. Mr R wasn't satisfied with the view of this complaint put forwards by our investigator, so the matter was escalated to an ombudsman 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Wise have acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

I also note that Mr R has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr R for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in-line with this service's role as an informal dispute resolution service.

This means that if Mr R notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr R and Wise. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

This complaint stems from Mr R not wanting to provide information about one of his co-directors that Wise requested from him. This includes the full date of birth of the co-director, which I note wasn't available to Wise from public sources such as Companies House, where only the month and year of the co-director's date of birth were listed.

Wise's request for this information doesn't seem unreasonable to me, and Wise have explained that they requested it in accordance with their interpretation of their regulatory requirements. As such, I'm satisfied that they were entitled to request it.

Mr R may contend that there was no regulatory requirement for Wise to request this information. But I'm satisfied that it was for Wise – and not Mr R – to interpret their regulatory obligations and to decide their policies accordingly. And ultimately, it seems clear and apparent to me that Wise weren't imposing any unfair burden on Mr R or acting unreasonably by requesting the information about the co-director as they did.

Mr R responded to Wise in the first instance and stated that Wise were placing an unnecessary burden on him by asking for this information. But it's notable that Mr R's first response to Wise about this matter was lengthier and more burdensome on himself than had he simply provided the information to Wise that I'm satisfied it was reasonable for them to request. And I also note that it's difficult to understand why Mr R was so reluctant to provide this reasonably requested information.

Ultimately, the continuing failure of Mr R to provide the reasonably requested information to Wise, and the nature of the ongoing correspondence between Mr R and Wise about the matter, led Wise to take the decision to no longer offer services to Mr R – which resulted in the closure of Mr R's personal account about which he here complains.

Mr R isn't happy about this. But in much the same way as a customer can choose to close their account and engage with another business, so a business can make the decision to no longer offer its service to a specific customer.

I feel it was reasonable for Wise to have developed concerns about Mr R because of his reluctance to provide the information requested by them and the lack of transparency this displayed. And I also feel there was a clear breakdown of the business relationship between Mr R and Wise – as evidenced by the increasingly difficult nature of the communication between them. Consequently, I'm satisfied that it was reasonable for Wise to take the decision to no longer offer services to Mr R in a personal as well as a business capacity.

It's within Wise's terms and conditions that they can close an account immediately in certain circumstances. And given the above, I feel that this clause did apply in this instance and that therefore Wise didn't act unfairly by not providing a notice period to Mr R.

I also note that the balance in the personal account at the time of account closure was relatively low – at £20 – such that it's difficult to envisage any significant detriment being incurred by Mr R during the time this amount was unavailable to him. And, while I accept that this £20 wasn't reimbursed to Mr R as quickly as it should have been, it's my understanding that Mr R has now received this money and has been paid compensation totalling £200 by Wise for the late return of it. This compensation amount doesn't seem unfair to me, and so I won't be instructing Wise to take any further action in this regard.

Mr R is unhappy that Wise didn't respond to an appeal he made about the decision to close his account. But Wise have explained that Mr R's personal and business accounts were held under the same membership number and that only one appeal is permitted per membership number. Wise have also confirmed that they considered both of Mr R's accounts in the appeal they considered for Mr R under his one membership number.

Mr R has explained that he's never received a formal response from Wise regarding his appeal. As such, I'd encourage Wise to provide this information to him, or highlight when it was previously provided to him. However, given that I'm satisfied that it wasn't unfair or unreasonable for Wise to close Mr R's personal account as they did, I don't feel that any unfair outcome has occurred here should an event of miscommunication about this matter have taken place.

Finally, Mr R is unhappy that Wise haven't provided his personal account statements to him as he requested, which he lost access to at the closure of his personal account. But Wise have been able to demonstrate to my satisfaction that these were emailed to Mr R by Wise on 30 September 2022. Accordingly, I refer Mr R to the emails he received on this day, and I note that a further, separate email was sent that same day which included his business account statements.

If Mr R hasn't received the personal account statements, he can request them from Wise again. But given that I'm satisfied that Wise sent the personal account statements, I wouldn't consider the potential non-receipt of those sent statements to be something for which Wise should fairly be considered accountable for.

All of which means that I feel that a fair outcome to this complaint has already been reached. And, while I will be formally upholding this complaint in Mr R's favour, I'll only be doing so on the limited basis that Wise must make the payment of £150 to Mr R – which it's my understanding they've already done.

I trust Mr R will understand, given all that I've explained, why I've made the final decision that I have.

Putting things right

If they haven't done so already, Wise must make a payment of £150 to Mr R.

My final decision

My final decision is that I uphold this complaint against Wise Payments Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 5 July 2023.

Paul Cooper

Ombudsman