

## **The complaint**

Miss K complains that Wise Payments Limited unfairly blocked and closed her accounts.

## **What happened**

The detailed background to this complaint is well known to both parties. As such, I'll provide only an overview of the most essential facts here. In summary:

- Miss K had a personal and business account with Wise which she opened in 2020.
- In October 2022, Miss K sold a rental property that she owned overseas and deposited a large amount of money into her Wise account. Following this, Wise blocked Miss K's account and asked her to provide proof of where the funds had come from. Miss K provided paperwork relating to the sale of the property and screens shots of another account she held showing the funds were converted from USD into GBP and then deposited into her Wise account. Wise reviewed the information and unblocked Miss K's accounts. Miss K continued to use her accounts.
- On 27 July 2023, Miss K attempted to make a transfer from her Wise account to pay her mortgage. She discovered that her account had been deactivated. Miss K contacted Wise and was told that she could appeal its decision to deactivate her account.
- Miss K appealed Wise's decision to suspend her account. On 9 August 2023, Wise transferred the balance of Miss K's business account to an account she held with another bank. Wise told Miss K that it was conducting due diligence checks on the funds in her personal account (just under £102,000) and were unable to release these funds to her. Wise said that this process could take up to 60 days to complete.
- Miss K complained to Wise and explained that she needed access to her funds to pay for medication, to make her mortgage repayments and pay bills. In response Wise said it hadn't done anything wrong and were complying with the terms and conditions of the account.
- In September 2023, Miss K's account was restricted by Wise following a freezing order being issued by the court. The court order froze Miss K's account for six months following an application made by the National Investigation Service (NIS).
- Miss K continued to contact Wise about how she could access the funds that were subject to the freezing order. She explained that she had no money to pay for medication that she needed, her bills weren't being paid and she was worried that her home would be repossessed because she couldn't make her mortgage repayments. Wise apologised for the trouble and upset Miss K was suffering but said it hadn't done anything wrong and were complying with its legal and regulatory obligations by following the court order. So, it couldn't allow Miss K access to the money in her account.

- Unhappy with this response Miss K brought her complaint to our service. She said that Wise were acting illegally, and she had done nothing wrong. She said her mental health had been seriously impacted by Wise's actions, and she was contemplating suicide. She explained she had no money to pay for medication, her mortgage and essential living expenses. And that she had recently had her home adapted due to mobility issues and was now on the brink of losing her home. She provided a medical report to support what she said about her mental health.
- In October 2023, Miss K contacted the court and police regarding the court order. She obtained a copy of the court order and contacted NIS. She provided paperwork to NIS and information relating to a bounce back loan she'd repaid, which she believed was the grounds for obtaining the freezing order. Following this NIS, explained that it was investigating whether Miss K was entitled to the money in her account, and that this could take up to six months. NIS invited Miss K to be interviewed.

An investigator reviewed Miss K's complaint. She said that Wise hadn't done anything wrong when it closed Miss K's accounts and didn't release the money held in her personal account. She explained that Wise were complying with the court order and its legal obligations.

Wise agreed with the investigator's recommendations.

Miss K didn't. In summary she said:

- she hasn't done anything wrong, and Wise didn't let her know it had closed her accounts
- Wise has acted illegally and stolen her money by refusing to allow her access to the funds still held in her personal account
- the money in the account are the proceeds from the sale of her property overseas, and that she has provided Wise with information that proves the funds are legitimate on more than one occasion
- the investigator should have contacted the police and court as part of their investigation

As no agreement could be reached the matter has come 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.

I appreciate Miss K was disappointed by the investigator's opinion and I can see that she has provided a detailed response to what we said about her complaint. I'd like to reassure Miss K that I've considered the whole file and what's she's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. I do stress however that I've considered everything that Miss K and Wise have said before reaching my decision.

Firstly, I should make it clear to Miss K that the Financial Ombudsman Service is an informal dispute resolution service acting as an alternative to the courts. We don't consider

complaints in the same way as a criminal court might. It is not my role to prove exactly what happened. Where there is a dispute about what happened – as there is here, and the evidence is incomplete, inconclusive, or contradictory, we reach our conclusions on the basis of what we consider is most likely to have happened having considered the available evidence and wider circumstances.

I want to address Miss K's comments about Wise committing theft. Miss K has said that Wise has stolen her money in denying her access to the money in her account – in other words broken the law. As I've already set out above our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint.

I do not doubt how strongly Miss K feels about this matter. That is clear from the detailed submissions and information she has submitted. She thinks Wise has acted illegally and lied to the court. She says that as part of looking into her complaint the investigator should have contacted the police and court about the freezing order. To be frank, it is not for this service to decide how the court came to its conclusions in issuing the freezing order. So, I don't consider the investigator was wrong when she explained to Miss K that we haven't contacted the police or court when considering her complaint.

Likewise, Miss K wants our service to make a finding as to whether Wise has discriminated against her on the basis that Miss K doesn't have a traditionally British sounding surname. While I can appreciate this is her perspective, it is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the Courts. I'm required to consider a number of factors in order to decide Miss K's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010.

Having done so, while I appreciate Miss K says she felt she was treated differently by Wise because of her surname, I've not seen anything to suggest that Wise blocked Miss K's account for an improper reason. From looking at all the evidence and circumstances of this complaint I'm satisfied that Wise were complying with a court order when it blocked Miss K's account as opposed to her being treated unfairly due to her surname.

#### *Account closure and access to funds*

Wise has important legal and regulatory obligations it must meet when providing accounts to customers. And it must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review.

Wise suspended Miss K's account on 27 July 2023 and have relied on the terms of the account to do so. I've reviewed the terms and conditions of Miss K's account. The terms of permit Wise to suspend and close an account. Under section 25.2 they state:

*'We may at any time suspend or close your Wise Account and/or end this Agreement without notice if:*

- (a) You breach any provision of this Agreement or documents referred to in this Agreement;*
- (b) We are requested or directed to do so by a competent court of law, government authority, public agency, or law enforcement agency;*
- (c) We have reason to believe you are in breach of any applicable law or regulation; or*

*(d) We have reason to believe you are involved in fraudulent activity, money laundering, terrorism financing or other criminal or illegal activity*

Having looked at the circumstances of this complaint I'm satisfied Wise acted in line with the terms when they suspended Miss K's account. Miss K says that Wise didn't let her know that it had closed her account. I disagree. I say this because I've seen a copy of an email that Wise sent Miss K on 27 July 2023, which clearly told her it had suspended her account and were completing a due diligence review. I can see that Miss K appealed Wise's decision, so I think it's fair to say Miss K was aware her account had been suspended.

In addition to their regulatory obligations Wise must also comply with any order of a court. Whilst Wise were completing its review of Miss K's account, it received a court order, which said the funds in Miss K's account were subject to a law enforcement investigation and should be frozen for six months – in other words Miss K wasn't allowed to access the money in her account. Once an order was granted in respect of Miss K's account, Wise had a duty to act on it and owed a duty to the court to ensure the freezing order wasn't breached. So, I can't say Wise treated Miss K unfairly when it continued to not allow Miss K access to the money in her account. I should also explain that this service has no power to review or vary an order made by the courts.

When requesting a final decision by an ombudsman, Miss K has said that she would like all the information Wise has provided to us and that she still believes Wise has lied to the court – in effect that the court order has been granted on the basis of fictitious information provided by Wise. Prior to issuing this decision I can see that the investigator has provided everything that we can to Miss K.

The accusation that Wise has lied to the court is a serious one. I want to assure Miss K that I've not seen any evidence of this. If Miss K's view remains unchanged the most obvious place for her to challenge the freezing order and Wise's interpretation of it would be the courts. I also want to point out, that from looking at the evidence, it is my understanding that the court order has been made following an application by NIS, a law enforcement agency, *not* by Wise as Miss K suspects. Wise were simply complying with the order.

In summary I am satisfied that Wise has not acted inappropriately or incorrectly. I realise Miss K would understandably like access to the funds in her account and feels very differently. But based on all the evidence and circumstances of this complaint, I don't believe I can fairly direct Wise to release Miss K's funds. Miss K may wish to pursue the matter through other means, but my decision brings to an end what we – as an informal dispute resolution service can do for Miss K.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold Miss K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 21 December 2023.

Sharon Kerrison  
**Ombudsman**