

The complaint

Ms K complains Wise Payments Limited charged her fees she wasn't aware of.

What happened

Ms K saw an advert for Wise, and it said 'Receive money with Wise for free'. Ms K opened a Wise business account as she was expecting a payment in Euros.

Ms K received the payment and was sent a message to say she needed to 'fix the transfer' by adding a bank account to receive her payment. Ms K added her bank details and then had to transfer the money from her Wise account to her bank account.

This transfer was charged fees, €237.31.

Ms K thought this was unfair as she had no other option but to transfer into her bank account. And the fees were only shown at this point, Ms K hadn't seen anything about fees previously, only the fee free advert.

Ms K complained to Wise and it replied to say there were no fees for receiving the payment in Euros. But since Ms K transferred the Euro payment into an Indian Rupee account, there were fees for this transaction.

Wise said its terms and conditions say balances aren't available for personal accounts in India. Wise also said there's an article on its website that says "the money received in your account details gets automatically converted into INR and transferred".

Wise said it's frequently asked questions could be clearer, and it's looking to update this. But since Wise felt its pricing was correct it didn't agree to refund the fees Ms K was charged.

Wise accepted some of its communication could have been clearer and offered Ms K £50 to compensate for this.

Unhappy with this answer Ms K brought her complaint to this service. An investigator looked into things and thought Ms K's complaint should be upheld.

The investigator thought Wise's website was confusing and there was lots of marketing sent to Ms K highlighting the 'no fees'. The investigator thought it would take a long time to find the fees page, and had Ms K found out about the fees she'd have used a different company.

The investigator thought Wise should refund €110.94, the difference between Wise and the service Ms K would have used instead, as well as the £50 compensation previously offered.

Ms K accepted the investigator's outcome.

Wise disagreed and said Ms K would have seen the fees while setting up the payment. Wise felt there are lots of resources on its website to help Ms K see what the fee is.

Wise responded further to say the fees are clearly linked on its home page and there's a calculator to work out the fees. Wise said its help centre would likely answer any questions Ms K had about fees, or she could contact Wise direct.

Wise said its advert clearly says "Receive and add money to your Wise account" and doesn't say it's free to send it on to another account. Since Ms K transferred the money she received on to an external account, Wise felt it would be unfair to refund this fee.

Wise asked for an ombudsman to decide things.

My provisional decision

Although I agreed this complaint should be upheld, I thought Wise needed to do more to resolve things. I issued a provisional decision, and in it I said:

There's no dispute Wise charged Ms K a fee. And there's no dispute Wise has links to its pricing page and a calculator to work out fees.

But, looking at pricing page Wise links to in its agreements, there's no ability for Ms K to see what fees she might be charged for an outbound payment from her Wise account.

When the fees page is set to the consumer being an Indian resident with a business account, the box for 'send money' is greyed out. There's a page for 'receive money' but Ms K wasn't charged for receiving money.

Wise has made it very clear the receipt of the Euros was fee free. The fee was charged when Ms K sent the money from her Wise account to her bank account in India.

But I don't think Wise's terms necessarily allow for this fee to be applied.

Wise's terms give provision for a fee, section 10 of its terms and conditions say:

10.1 You must pay our fees.

and 10.2 You can see our fee structure on the Pricing page

The pricing page is where Wise lays out how much the fees are. Since there isn't a sending money pricing page Ms K can access, I can't say any fees for sending money apply to Ms K in her individual circumstances, being an Indian resident with a Wise business account.

Since I don't think the sending money pricing page forms part of the contract between Wise and Ms K, or lists any fees, I don't think Wise can fairly charge any fees for the money Ms K sent from her Wise account to her bank account in India.

Ms K signed up to two separate contracts, one regulated in the UK and one that appears to be regulated in India. I'm unlikely to be able to look at the agreement regulated in India, but I don't think this is relevant to whether Wise can charge a fee or not.

Wise has sent a copy of the transfer receipt, which shows the amount transferred and the fee charged. This receipt was produced by Wise, and the footer of the receipt says it's an authorised electronic money institution.

I think the UK regulated part of Wise charged the fee, so I think this fee is something I can consider. And having done this, I don't think Wise's terms allow it to charge the fee.

Because I don't think Wise can fairly charge the fee it did, I think Wise needs to refund the transfer fee, in full, to Ms K.

Wise had previously made an offer of £50 for some poor service Ms K received, and, in the circumstances, I think this is a fair offer to compensate Ms K.

Responses to my provisional decision

Wise agreed with my provisional decision.

Ms K also agreed with my provisional decision, but wanted a final decision, which she's entitled to ask for.

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.

Since neither party disagreed with my provisional decision, my final decision's unchanged.

My final decision

My final decision is I uphold this complaint and Wise Payments Limited should:

- refund the €237.31 fee it charged
- pay Ms K £50 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 2 April 2024.

Chris Russ
Ombudsman