

The complaint

Mr K complains that Wise Payments Limited closed his account and withheld access to his funds.

What happened

Mr K had an account with Wise. He said he was using the account to send and receive money to trade cryptocurrency. But Wise received disputes about some of these payments – and so closed Mr K's account and told him it had returned the funds to the original senders.

Dissatisfied Mr K complained to Wise, and then referred the complaint to us.

Our investigator looked at what had happened. At first, the investigator thought that Wise should return the funds to Mr K. But after Wise provided further information, the investigator concluded that what Wise had done was fair.

Mr K, in the meantime, had told us that he in fact allowed a third party to use his account to receive money from the sale of cryptocurrency.

As the investigator couldn't resolve things informally, the complaint has been referred 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 don't uphold the complaint. I'll explain why.

I've first considered Wise's decision to close Mr K's account. The terms and conditions that applied to Mr K's account said Wise could, in some circumstances, close or suspend the account without giving Mr K notice. Based on everything I've seen, I'm satisfied Wise was acting in line with these terms and conditions when it closed Mr K's account – and that this was fair.

I've next considered Wise's decision not to return the funds to Mr K. Wise told Mr K that it had received several disputes relating to the payments into the account – and so it refunded the money to the original senders. I note that the terms and conditions that applied to Mr K's account state that money received into the account "may be subject to reversal and you agree that we may deduct the received amount from your Wise account if it was reversed by the person who paid you the received amount or any relevant payment services provider."

So I've thought about whether this was fair.

At first Mr K told us he'd been buying and selling cryptocurrency through a peer-to-peer cryptocurrency exchange – and supplied screenshots showing his contact with the other party to the sale and details of the trades. But Mr K now says that the account on the cryptocurrency exchange didn't belong to him. Mr K says he allowed someone else to

arrange payments into his Wise account as they didn't have an account of their own.

I recognise this will be disappointing to Mr K. But given what he's now said about these transactions, I cannot tell Wise to pay him the remaining funds. I say this because it doesn't appear this money ever belonged to Mr K. I'd only tell Wise to compensate Mr K for losses he suffered personally – I wouldn't compensate Mr K for losses suffered by third parties. For similar reasons, it wouldn't be appropriate for me to reach any conclusion about whether the third party – or anyone else – is instead entitled to these funds, though I am mindful that Wise told Mr K there were several disputes about the funds paid into the account. Finally, I note that the terms and conditions that applied to Mr K's account state that "You shall only use the Services to transact on your own account and not on behalf of any other person or entity".

Taken together, I don't accept Mr K is entitled to the funds that remained in his account when it closed. It follows that I don't uphold the complaint and I'm not going to tell Wise to do anything further.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 May 2024.

Rebecca Hardman
Ombudsman