

## **The complaint**

D, a limited company complains Wise Payment Limited unfairly closed its account. D also says Wise haven't released money paid into the account.

D is represented by its director, Mr A.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

D had a business account with Wise, which was opened in November 2022.

In July 2023, Wise decided to review D's account. Whilst it completed its review Wise blocked D's account. At the time the balance of D's account was just over €1,500. Following this Wise decided to close D's account in December 2023.

Wise wrote to Mr A to let him that following its review it had decided to close D's account. Wise also said that it needed to complete due diligence checks before it could release the balance of D's account.

Mr A complained to Wise. He said he was entitled to the money in D's account and needed the funds to support his family and run his business. He said Wise had held onto the money for longer than it should have, and longer than the sixty days set out in the terms and conditions of the account. He also said that he hadn't done anything wrong and only used the account to receive payments from buyers. So, he said Wise had treated D unfairly when it had closed the account and retained the funds in its account.

In response Wise said it hadn't done anything wrong and had reviewed and closed the account in line with the terms and conditions and its acceptable use policy.

Unhappy with this response, Mr A brought D's complaint to our service where an investigator looked into what had happened. The investigator reviewed everything and asked Wise to provide more information about why it had closed D's account and retained the account balance. Wise didn't provide anything. So, the investigator said that based on the limited information, she couldn't say Wise had treated D fairly when it had closed its account and kept hold of the money in its account. She said Wise should release the money in D's account along with interest on the account balance for loss of use of the funds from December 2023 until the funds were released.

Mr A accepted the investigator's view. Wise didn't and provided some more information. The investigator reviewed everything again and said that Wise hadn't done anything wrong when it closed D's account and retained its account balance to comply with its legal and regulatory obligations. Mr A disagreed. He said Wise had no right to retain his money and that D is now out of pocket. He wants the money returned to him.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Wise has treated D fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can see Mr A feels very strongly about D's complaint. That's clear from what's he's said to us and to Wise. Whilst I appreciate Mr A's frustration and how this matter has impacted D, it's important to point out that the only thing in question here is whether Wise has done what it should have done. I think it has and I'll explain why.

I'll deal first with Wise's decision to block D's account. Wise has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's Wise's duty to reasonably ensure accounts are being used in the way they should and to protect the money which is held in them.

Having reviewed all the evidence, including the information Wise provided in response to the investigator's view, I'm satisfied that Wise were acting in line with its legal and regulatory obligations when it restricted D's account in July 2023. I understand not having access to D's account caused D and Mr A inconvenience, but it wouldn't be appropriate for me to award D compensation since I don't believe Wise acted inappropriately in taking the actions that it did when it blocked and reviewed D's account.

The crux of D's complaint is that Mr A wants the money that was in D's account when it was closed, released back to him. He says he is entitled to the funds and that D received the money from its customers. I've reviewed the information Wise has provided that led to its decision not to release the funds back to D, and having done so I'm satisfied that Wise are complying with its legal and regulatory obligations in not returning the funds to D. So, I can't fairly conclude Wise should release the money back to D.

Mr A has said that Wise has taken far too long to complete its review. I've looked at the information Wise has provided about what it was doing as part of its review. And I've taken into consideration what Mr A has said about the money paid into D's account and the impact being without the funds had on him and D.

I understand Mr A would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr A. And the description of that information is that it's of a nature which justifies Wise's review, and which has led me to decide that awarding Mr A compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Wise to compensate Mr A for any inconvenience that he as director of D, may have experienced as a result of the time taken by Wise carrying out its review, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in D's account, including his unhappiness with Wise not releasing the funds in D's account.

I'll next deal with Wise's decision to close D's account. Sometimes following a review, a bank will decide to close an account. Wise is entitled to close an account with D just as D is entitled to close its account with Wise. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. But before Wise closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Wise could close D's account by giving at least two months' notice. And in certain circumstances it could close the account immediately.

In this case Wise closed D's account without notice in December 2023. For Wise to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that Wise has provided, I'm satisfied that Wise did. So, it was entitled to close the account as it's already done.

I've then gone on to consider whether Wise's reasons for closing the account was fair. This can be due to a number of reasons and Wise isn't obliged to give a reason to the customer. Wise has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr A due to its commercial sensitivity. But I've seen nothing to suggest Wise's decision around closing D's account was unfair.

In summary, I realise Mr A will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Wise have treated D unfairly. So, I won't be telling Wise to do anything to resolve D's complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 29 May 2024.

Sharon Kerrison  
**Ombudsman**