

The complaint

F, a limited company, is unhappy that Wise Payments Limited is holding it liable for transactions it has said it didn't authorise. Mr I brings this complaint on behalf of F.

What happened

F had a business account with Wise and Mr I was authorised to manage the account on F's behalf. In September 2023 he authorised a monthly payment of \$19 USD for a service he's said was required for F's business operations. Mr I says that after he authorised the subscription, the same merchant took three further payments equalling around £12,000 without Mr I's authorisation – two payments of £4,900 and a further payment of £2,000.

On 4 October 2023 Mr I raised the disputed transactions with Wise. Wise investigated the claim but concluded F had likely authorised the transactions. Following its investigation it decided to close F's account without notice. F appealed Wise's decision and it considered things again but it was satisfied it had acted fairly and within the terms and conditions of the account.

Our investigator considered the complaint but didn't uphold it. F didn't accept this so the complaint has been passed to me to make a 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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I must reach my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened given the available evidence.

The relevant law surrounding authorisations are the Payment Service Regulations. The basic position is that Wise can hold F liable for the disputed payments if the evidence suggests that it's more likely than not that F made them or authorised them. Authorisation is made up of two parts. Authentication and consent. Authentication is usually referred to as the technical evidence and in this case, Wise has supplied evidence that shows F's details were used to make the payments and I'm satisfied the disputed transactions were authenticated.

Consent refers to the way in which Wise and F agreed to operate the account to allow Wise to make payments on F's behalf. For example, Wise's terms and conditions set out that if a payment is arranged through the use of a device (for example, the card linked to the account), then Wise accepts that the instruction to make the payment is authorised by the account holder.

But the regulations relevant to this case say that it is not, on its own, enough to enable Wise to hold F liable. I also need to think about whether the evidence suggests it's more likely

than not F consented to the payments being made. I can't know for certain who carried out the disputed payments, as I wasn't present at the time. So, in order to reach my decision, I take all the available evidence into account and make my decision based on what I think is more likely than not to have happened.

Having looked at all the evidence and considered Mr I's explanation carefully, I'm not persuaded by what he has said. And on balance I've ruled out that a third-party was responsible for making the payments without F's consent. So, I don't think it would be fair or reasonable to say Wise needs to refund the payments in dispute.

Mr I has confirmed he authorised the first payment to the merchant in question. He's said the issue is that whilst he consented to a monthly fee, the merchant must've stored F's card details and used them to authorise further payments without his knowledge or consent.

There's no longer any information available online about the merchant. Mr I has explained it's website has been taken down. So it's not possible to see what sort of service it provides or what products it sells. Mr I has provided a screen shot indicating the merchant offered a service for \$19 USD per month but hasn't provided any further detail around the services F required from it. So it's not clear based on what I've seen what services F signed up for.

The evidence provided by Wise indicates that the physical card linked to F's account, not just the card details, was used to authenticate two of the disputed transactions – the two payments of £4,900 that were taken on 23 September 2023. Mr I hasn't mentioned any point of compromise of the card linked to F's account. So it's not clear how these transactions would've been carried out without his, or another person authorised to use F's account, consent or knowledge.

But, even without this evidence, there is additional information provided by Wise that I've had to take into account in this case.

Our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for example, if it contains security or commercially sensitive information. Some of the evidence Wise has provided is information that we consider should be kept confidential. This means I haven't been able to share a lot of detail with F, but I'd like to reassure it that I have considered everything carefully.

Having done so, when considering all of the circumstances of this complaint I think it's more likely than not that F authorised the payments. Whilst I can't say more about why, I hope I can reassure Mr I that Wise has not acted unfairly in holding F liable for the transactions.

I've gone on to consider whether the account closure was fair in the circumstances. In doing so, I appreciate that Wise are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Wise should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

After considering all the available evidence and information, I haven't seen evidence to show Wise closed F's account for an improper reason. So, although I appreciate the account

closing will have inconvenienced F, there's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion.

If F would like to receive a return of the remaining account balance of around £90, it should contact Wise directly to arrange this.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 26 March 2025.

Faye Brownhill
Ombudsman