

## **The complaint**

Mr Y complains Wise Payments Limited unfairly closed his account without notice or explanation.

## **What happened**

Mr Y held a Wise account. On 3 June 2023 Mr Y received a payment into his account. Mr Y's account was blocked on 19 June 2023, and on the same day Mr Y was informed his account would be deactivated. Mr Y appealed this decision, and provided details of how he uses the Wise account. This was reviewed by Wise, and it maintained its decision to close the account. Mr W was informed of this and the remaining balance within the account was returned to Mr Y in July 2023.

Mr Y raised a formal complaint about the sudden closure of his account in February 2024. Mr Y explained the account closure was unfair and Wise had failed to clearly explain its reasons for closing the account. Wise reviewed Mr Y's concerns and in its final response letter dated 21 February 2024 it explained it had taken the decision to close the account in line with the account terms and conditions. Wise explained that due to regulations it was unable to provide more details about what led to the account closure. It also reiterated that it would not be reviewing its decision. As a payment had been made into Mr Y's account again, Wise confirmed the final balance was returned on 19 February 2024.

Mr Y remained unhappy with the response received and referred his complaint to this service. An Investigator reviewed his concerns, and asked Mr Y for more information regarding the payment that entered his account on 3 June 2023. Mr Y provided details and after reviewing all the evidence the Investigator didn't uphold Mr Y's complaint. In summary they explained:

- Wise is under numerous legal and regulatory duties, which means it must monitor and review customer accounts.
- Wise didn't need to give Mr Y notice of its decision to review and close Mr Y's account.
- Wise has disclosed the specific reasons to this service in confidence and they were satisfied it had acted fairly in light of the information available.
- The terms and conditions of Mr Y's account allow it to close it immediately in specific circumstances.

Mr Y remained dissatisfied and maintained Wise had acted unfairly. The case has been referred to me – an ombudsman – for a final 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.

I appreciate Mr Y was disappointed by the investigator's opinion. I'd like to reassure Mr Y that I've considered the whole file and what's he'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.

As a UK financial business, Wise is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Wise needs to restrict, or in some cases go as far as closing, customers' accounts.

Wise has explained and given me information to show why it reviewed and closed Mr Y's account. Having carefully considered this, I'm satisfied Wise took these actions in line with the obligations it must adhere to. In addition, Wise is entitled to close an account just as a customer may close an account with it. But before Wise closes an account, it must do so in a way, which complies with the terms and conditions of the account.

I can see as part of the Investigator's review Mr Y was asked additional questions about the account and a specific payment that was made into it. This is to ensure the immediate closure of the account was appropriate in light of the account terms. Based on the information provided by Mr Y the Investigator found it had acted reasonably in closing the account immediately. I've also looked at the information Mr Y has provided, and I'm satisfied Wise has acted fairly.

I know Mr Y feels Wise has acted unfairly given the lack of information provided to him about the closure. Ultimately Mr Y would like a detailed explanation as to why Wise took these actions. But Wise isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Wise has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied Wise acted appropriately and in keeping with its regulatory duties.

Mr Y says Wise's decision to close his account caused him significant distress and inconvenience. I do appreciate this matter would've caused Mr Y some difficulty. The decision to close a bank account immediately can't be taken lightly given the impact it can have on a customer. Based on the information I've seen and the account terms I think Wise had reason enough to close the account with immediate effect. This means I don't consider compensation for the impact the immediate closure had on Mr Y to be fair or necessary.

I understand Mr Y will be disappointed with my decision. But I am satisfied Wise acted reasonably in taking this action to discharge its regulatory obligations. I hope my decision provides some clarity around why I won't be asking Wise to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 28 February 2025.

Chandni Green  
**Ombudsman**

