

## **The complaint**

G, a limited company complains that Wise Payments Limited took too long to release its account balance. N wants Wise to pay compensation for the inconvenience this caused.

G is represented by its director, Mrs D.

## **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.

Since bringing its complaint to our service G has changed its trading name. For ease of reading, I will refer to G throughout this decision.

G had an account with Wise, which was opened in September 2021. Mrs D has explained that G used the account to receive payments from customers of G, via another payment processor.

In mid - September 2021, Wise decided to review how Mrs D was operating G's account. Wise blocked G's account whilst it carried out its review. Following this it decided to close the account immediately and wrote to Mrs D that it wasn't willing to continue to provide G with an account.

Mrs D appealed and said she needed access to the money in G's account. In response, Wise apologised for any inconvenience it had caused but said it had closed G's account in line with the terms and conditions. And it wasn't willing to reopen G's account. Wise asked Mrs D to provide identification documents and provide details of an alternative bank account, so that it could complete its account verification process and return G's account balance.

In response Mrs D provided Wise with her identification which included copies of her passport, driving licence and selfie photograph. Wise reviewed the documents Mrs D provided but they failed its verification checks and Wise repeatedly asked Mrs D to resubmit her ID documents. Between 1 September 2021, and 22 January 2024, Mrs D provided ID documents. However, on each occasion Wise wasn't able to complete its checks. So, Wise were unable to return G's balance to Mrs D.

Mrs D wasn't happy about this and complained. She said that the money belonged to G having been paid by G's customers and that Wise had no right to hold onto the funds for so long after G's account had been closed. In response, Wise said it hadn't done anything wrong in closing G's account and not releasing its account balance.

Mrs D brought G's complaint to our service where one of our investigators looked into what had happened. She asked Mrs D to provide more information about G's entitlement to the money which Wise were withholding along with copies of her ID documents. The investigator also asked Wise to explain why it had held onto G's funds since 2021, but Wise didn't provide any information. The investigator reviewed all the evidence and said based on the limited evidence she'd reviewed she couldn't ask Wise to release G's account balance.

Following this, in April 2024 Wise contacted G and said it was willing to release G's account balance back to Mrs D if she provided ID documents. Mrs D let the investigator know she had been contacted by Wise and provided the requested documents which were then forwarded to Wise. G's balance was then released.

Mrs D said whilst she was happy to have had G's money returned, Wise should pay compensation for loss of use of the funds and the inconvenience the time taken to get the money returned had caused.

After looking at everything again, the investigator said Wise should do more to put things right. She said it should pay 8% interest on G's account balance from September 2021 along with £650 compensation. Mrs D agreed. Wise didn't and provided more information to our service.

The investigator reviewed the information Wise provided. And said that based on the all the information and circumstances of G's complaint it wouldn't be appropriate to ask Wise to do anything more to resolve G's complaint.

Mrs D disagreed. She said it's not fair that Wise have held onto G's money since 2021. So, she wants compensation.

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 G fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint. This means I haven't been able to share a lot of detail with Mrs D, but I'd like to reassure her that I have considered everything.

I'll deal first with Wise's decision to review G's account. Wise have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having looked at all the evidence, I'm satisfied that Wise acted in accordance with these obligations when it reviewed G's account. The terms and conditions of G's account and Wise's Acceptable Use Policy, which Mrs D agreed to when she opened G's account, make provision for this. So, I can't say Wise treated G unfairly when it decided to review G's account.

The crux of G's complaint is that Mrs D says Wise took too long to release its closing balance once it had closed the account. It seems Wise was willing to release the money to Mrs D or return it to the sender if Mrs D was able to complete its verification process, which I don't find unreasonable.

I can see that Wise clearly explained this to Mrs D on more than once occasion over a long period. And it told her that this process is its standard procedure. I've seen copies of the various documents Mrs D has submitted to Wise since 2021 in an attempt to get the funds released. So, I'm satisfied that Mrs D understood what she needed to do in order to satisfy Wise's request. I'm also satisfied that Wise has these processes in place in order to comply with its legal and regulatory obligations when providing accounts to customers. So, I can't say Wise did anything wrong by asking Mrs D to provide the documents and verify her identification in order to complete this process.

I appreciate Mrs D has supplied documents to Wise on several occasions over a number of years. But Wise has confirmed that the documents provided by Mrs D weren't acceptable. Having looked at the documents and the information provided by Wise to this service in confidence, I don't think that this is unreasonable. So, I can't conclude Wise did anything wrong in not returning G's funds sooner than it did because up until recently Mrs D hadn't provided documents that satisfied Wise's verification processes.

Mrs D has said that Wise took far too long to give her back G's money. And she wants compensation for the amount of time things took. I recognise the overall time this situation took. And I accept that Mrs D has been without G's account balance for a long time. But after considering what Mrs D has said and the content of Wise's review, which includes the information it has provided to this service in confidence, I don't find awarding G compensation would be fair or appropriate.

I understand Mrs D 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 Mrs D. 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 G compensation would not be a fair or appropriate outcome for any of the matters Mrs D has brought as part of this complaint.

So, I'm not requiring Wise to compensate Mrs D for any inconvenience that she as director of G, may have experienced as a result of Wise carrying out its review, and the further dissatisfaction she experienced which ultimately flowed from not having access to the funds in G's account, including her unhappiness with Wise's communication and the information it didn't provide her about why it wasn't happy with the documents she submitted.

In summary, I realise Mrs D 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 G unfairly. So, I won't be telling Wise to do anything more to resolve G's complaint.

I note that Mrs D has indicated that she may wish to pursue the matter through other means, I can't advise her on how to go about doing that, but my decision brings to an end what we – as an informal dispute resolution service can do for G.

## **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 G to accept or reject my decision before 23 October 2024.

Sharon Kerrison  
**Ombudsman**