

The complaint

Mr N is unhappy with the service he's received from Wise Payments Limited surrounding a payment he expected to receive but which was returned by Wise to the sender.

What happened

On 13 October 2023, Mr N received an email from Wise explaining that his account details had changed with immediate effect and warning him that he needed to update any parties which might wish to make payment to him. At that time, Mr N was expecting a payment from a large company, which I'll refer to as 'X'. Mr N contacted X and updated his Wise account details with them. But he was told by X that the payment he was expecting from them had already progressed through their systems and couldn't be stopped or amended.

On 24 October 2023, the payment from X was received by Wise's partner bank and rejected on the basis that the account details the payment was being made to were incorrect. Wise's partner bank returned the payment to X, and Wise sent an email to Mr N advising him that the payment attempt had been unsuccessful.

Shortly afterwards, on 2 November 2023, Mr N contacted Wise and asked them to trace the payment. Wise asked Mr N to contact X and obtain proof-of-payment information from them. Mr N contacted X as requested by Wise and was able to provide the payment information from X to Wise on 14 December 2023.

Wise investigated the payment and confirmed to Mr N on 20 December 2023 that the payment had been returned to X on 24 October 2023. Wise also provided Mr N with information about the return to help X locate the returned money for Mr X.

Mr N provided the return information to X but received no response from them. Mr N chased X but still received no response. And, in March 2024, frustrated that the payment he was expecting to have received in November 2023 still haven't been located and credited to him, Mr N raised a complaint with Wise, as he felt that Wise should fairly be held accountable for him not having his money.

Wise responded to Mr N and confirmed that Mr N's money had been returned to X. Wise also didn't feel that they'd done anything wrong in how they'd administered Mr N's account, and so didn't uphold his complaint. Mr N wasn't satisfied with Wise's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They felt that it was now for Mr N to recover his money from X. But they also felt that Wise could have mitigated against what happened here by providing Mr N with advance warning that his account details would change, rather than by informing him after the fact. Because of this, our investigator said that Wise should pay £300 to Mr N as compensation for the frustration and inconvenience he'd incurred. Neither Mr N nor Wise were happy with the view of this complaint put forward by our investigator, so the matter was escalated to 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 issued a provisional decision on this complaint on 9 August 2024 as follows:

Wise haven't explained why they didn't provide Mr N with any advance notice that his account details had changed, but only notified Mr N when they had changed. However, I don't feel that it's unreasonable to have expected Wise to have notified Mr N about such an important change in advance of it happening. And I feel that if Wise had given Mr N some advance notice, that this would have mitigated against what happened here.

But the fact remains that Mr N's money isn't lost – it's been returned to X. Wise have demonstrated to my satisfaction that this is the case. And while it seems clear from Mr N's submissions to this service that he's reluctant to pursue the matter with X, I feel that it's reasonable to expect him to do so, given that it is X that currently hold his money.

Mr N has said that he contacted X on 13 October 2023, when he was informed by Wise that his account details had changed, but that he was told by X that his payment was already progressing through their systems at that time and so couldn't be stopped. But the payment wasn't received by Wise's partner bank until 24 October 2023 – eleven days later – which seems like an unusually long time for such a payment to take to complete.

Additionally, if Mr N had spoken with X on 13 October 2023, then X would have been aware that the payment wouldn't compete and that it would most likely be returned to them. And I feel that it stands to reason that if this was the case that X would be expecting Mr N to contact them about the returned payment and should have been on the look out for it.

Regardless of the nature of Mr N's interactions with X, I continue to feel that what happened here most likely wouldn't have taken place had Wise given Mr N some advance warning that his account details had changed – as I feel that they reasonably should have. Because of this, I'll be upholding this complaint in Mr N's favour.

I feel that the impact of Wise not notifying Mr N in advance that his account details would change is that Mr N had to contact X to obtain proof of payment information and then obtain information about the return of his money from Wise and forward it to X.

Importantly, I don't feel that Wise should fairly bear any accountability or responsibility for any difficulties that Mr N may be experiencing with getting X to trace the returned payment that they hold for him. Rather, I feel that that is a separate matter between Mr N and X themselves.

In their view of this complaint, our investigator recommended that Wise should pay £300 compensation to Mr N for what happened. Wise disagreed and didn't feel that any compensation was merited in this instance. Mr N was also unhappy with the £300 recommended by our investigator and felt that Wise should be instructed to pay compensation to him of approximately £23,000. But I don't feel that Mr N's expectation in this regard is realistic, and I refer Mr N to the general framework this service uses when assessing compensation amounts, details of which are available on this service's website.

Ultimately, in consideration of the impact of Wise not providing advance warning of the account number change to Mr N as I've described it above, and in consideration of the general framework this service uses when assessing compensation amounts, the £300 as recommended by our investigator feels a little excessive to me. As such, my provisional

decision here is that I'll be upholding this complaint in Mr N's favour and provisionally instructing Wise to pay a reduced amount of £150 compensation to Mr N, which I feel more fairly resolves this complaint in consideration of the relevant factors here.

I appreciate that Mr N will likely be unhappy with my provisional decision here. But I'd like to reiterate that I don't consider the difficulties that Mr N has experienced when trying to resolve this matter with X to be something I'd consider Wise to be accountable for. And I feel that £150 provides fair compensation to Mr N having to obtain payment return information from Wise and to forward that information to X to allow X to locate his money and credit it to him.

Wise responded to my provisional decision and confirmed that they were in acceptance of it. Mr N also provided a response wherein he confirmed that he was not in acceptance of my provisional decision and submitted some comments and objections for me to consider.

Mr N doesn't agree with the statement I made in my provisional decision that he's been reluctant to pursue this matter with X. But in his referral of this complaint to this service, dated 2 April 2024, Mr N stated as follows:

"[X] did not reply to my email in which I provided the IMAD number and asked for assistance in locating the funds. They did not reply to another follow-up communication regarding the matter..."

Given the length of time that has passed, it is reasonable to assume that no further communication from [X] will be forthcoming.

I have a longstanding relationship with [X]. I am reasonably concerned that, under the circumstances, continued pressure regarding this matter will jeopardize my ability to obtain future work from [X], resulting in huge financial loss."

Given the above, I don't feel it's unreasonable to state that Mr N was reluctant to pursue this matter with X. But it remains my position that Mr N's money has, in all likelihood, been returned to X, based on the information presented to this service by Wise. And I wouldn't consider instructing Wise to reimburse Mr N's money to him if it's the case that his money has been returned to X.

Notably however, Mr N has recently provided an email from X, dated 24 May 2024, wherein they explain that they haven't been able to locate Mr N's money based on the payment information given to Mr N by Wise. And I note a further email from Mr N to another department at X dated 28 August 2024, only a few weeks ago, wherein Mr N chases with X whether his payment has been located.

It's unclear how Mr N's 28 August email to X was responded to by X. But if X confirm that they can't locate Mr N's payment, then I refer Mr N back to Wise, at which time I would expect Wise to liaise directly with the relevant department at X and assist X in the location of Mr N's missing money.

Mr N has also said that it's incorrect of me to have stated that his money was never received by Wise and was returned to X by Wise's partner bank. However, I'm satisfied that my statement in this regard was correct. And while I appreciate that Mr N has notice from X that the payment completed successfully, this notice doesn't preclude what actually happened here – which is that the payment did complete successfully to Wise's partner bank, who were then unable to forward the payment to X because the account number was invalid, and who because of this then returned the money to X.

Ultimately, it remains my position here that Mr N's money has, in all likelihood, been returned to X by Wise's partner bank – based on the payment return information that Wise have been able to provide. And because of this, my position remains the same as I outlined and explained in my provisional decision.

Accordingly, I see no reason not to issue a final decision here whereby I uphold this complaint in Mr N's favour on the basis described in my provisional decision. Although, as explained above, if Mr N's most recent request for X to locate his payment isn't successful, then I would expect Wise to liaise directly with X and help them locate Mr N's money.

Finally, if it is the case that Wise's submission to this service is inaccurate, and if it can be demonstrated that Mr N's money wasn't returned to X by their partner bank as they've explained was the case, then I would consider reassessing this matter at that time. However, in the basis of the information I presently have available to me, I feel that it is reasonable to conclude that Mr N's money is most likely with X at this time.

Putting things right

Wise must pay £150 to Mr N.

My final decision

My final decision is that I uphold this complaint against Wise Payments Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 14 October 2024.

Paul Cooper
Ombudsman