

The complaint

Mr D complains that Wirex Limited restricted access to his account. He'd like his funds released and compensation for the impact on him.

What happened

Mr D had an account with Wirex.

On 14 March 2024 Wirex restricted Mr D's account.

On 4 April 2024 Wirex contacted Mr D to ask about his occupation, annual income, proof of his main source of income and how he used his Wirex account. Mr D responded providing details about his occupation and income and advised he used his Wirex account to hold his investments safely, and use the debit card to spend any profits. He also provided bank statements, a payslip and professional certificates.

But Wirex weren't satisfied with Mr D's response and continued to restrict the funds in his account.

Mr D complained to Wirex. They accepted their communication wasn't as good it should have been but thought they'd acted fairly in restricting his funds.

On 8 May 2024 Wirex made the decision to close Mr D's account, but they continued to withhold his funds.

As Mr D wasn't happy with Wirex's response he complained to our service.

Our Investigator reviewed Mr D's complaint but didn't think Wirex acted unfairly in blocking his account or continuing to withhold his funds.

Mr D didn't accept our Investigator's view. In response he said Wirex told him that his account was closed and he could withdraw his funds. And if he was told this, it's unfair he can't withdraw his funds. Mr D added he believes this is because of an error with the Wirex app, but if he's required to provide further documentation to show the legitimacy of his funds he can do so.

As Mr D didn't accept our Investigator's view it's been passed 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.

DISP 3.5.9R(2) states that an ombudsman may accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where the ombudsman considers it appropriate.

Wirex made its submission in confidence. Our rules permit this; 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 (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Wirex has treated Mr D fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint.

Wirex are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. Having looked at what's happened I appreciate why Mr D may have found this inconvenient, but Wirex must ensure they keep their due diligence checks updated at all times.

As part of their review, Wirex asked Mr D for detailed information about the money in his account and where it came from – which they're entitled to do under their obligations. Having reviewed everything, I do think Wirex's requests were reasonable in the circumstances. Ultimately it's Wirex who decide what information they do or do not require as part of a due diligence review and they have a duty to protect their customer's money and understand where it came from. Because of that, I can't fairly conclude Wirex acted inappropriately.

I understand Mr D's unhappy that his funds remained restricted despite Wirex suggesting that he could withdraw them when his account was closed. I agree that the wording of Wirex's closure notice was unclear, and this likely led to Mr D thinking he could withdraw his funds. However, this doesn't mean I think Wirex's actions in continuing to restrict Mr D's funds are unfair. I'm afraid I can't share any further detail with Mr D about why his funds remain restricted, as I've received this in confidence from Wirex. I understand this will disappoint Mr D but, having reviewed this information I'm satisfied Wirex have acted fairly here.

It follows, I won't be asking Wirex to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 December 2024.

Jeff Burch
Ombudsman