

The complaint

Ms D complains that Wise Payments Limited, trading as Wise, closed her Wise account immediately and with no explanation. Ms D would like compensation and an explanation for the closure of her account.

What happened

I sent Ms D and Wise a provisional decision in September 2024, in which I set out the following background information to the complaint:

Ms D held several personal and business accounts with Wise, including for C, a Limited Company of which she is the Director. Ms D has also brought a separate complaint about Wise's closure of C's business account to the Ombudsman Service. I've considered this complaint in a separate decision.

On 19 July 2023 Wise decided to immediately close Ms D's Sterling and Euro Wise account, and informed Ms D of the closure. Ms D appealed this decision. Wise rejected the appeal and informed Ms D they needed more time for checks before returning Ms D's funds. Wise returned Ms D's funds on 19 September 2023.

Ms D complained to Wise, who responded that they felt they had acted fairly in closing her account, but offered compensation of £50 in apology for the delay in dealing with her complaint. Ms D was unhappy with this outcome and raised her complaint to the Financial Ombudsman.

One of our Investigators looked into the complaint. They requested some information from Wise about why they had closed Ms D's account which Wise provided. On reviewing the evidence from Wise the Investigator thought that Wise provided sufficient evidence to show they acted fairly in closing Ms D's account. But they still thought Wise should have returned Ms D's funds sooner. They recommended that Wise pay Ms D 8% interest on her funds from 21 July to 4 September 2023. Ms D accepted the outcome but Wise did not. They responded that while they recognise the delay was inconvenient, they have regulatory and legal requirements on them to undertake checks before releasing funds, and they felt the amount of time taken to complete them was appropriate and in line with their service standards.

As such the case was passed to me to review. After reviewing the case I noted that I was not planning on upholding Ms D's complaint, or asking Wise to do anything further. Because I was considering a different outcome to the outcome reached by our Investigator, I issued a provisional decision. I invited both parties to respond with new information that they wanted me to consider before I made my final decision. Wise didn't respond further. Ms D did respond. She noted that she was very disappointed with the provisional decision. She reiterated that she did not think it was fair that she had not been provided with an explanation of why her accounts had been closed.

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 set out the following analysis in my provisional decision:

Wise are subject to lots of regulatory and legal responsibilities and businesses will often review accounts, and potentially close them, to ensure they meet these responsibilities. Wise are entitled to decide who they would like to do business with, much as a customer is, as long as they act fairly, comply with their terms and conditions and don't discriminate against their customers. I've reviewed the information provided by Wise giving their reasons for closing Ms D's account and my assessment is that the closure of her account was fair and in line with their terms and conditions. I appreciate Ms D would like to know the reasons why Wise closed her account, but I'm afraid Wise aren't required to share this with her.

Ms D is unhappy with the amount of time it took Wise to return her funds. Wise argue that they have met their internal service standards and so should not have to provide compensation. I don't dispute that Wise have met their own service standards, but on its own this isn't enough to say Wise have acted fairly. A business can meet its internal service standards but still act unfairly towards a consumer. Instead, I need to consider if Wise have evidenced why Ms D's funds weren't returned until September. I have looked for evidence that Wise were actively taking steps to undertake their checks and return Ms D's funds promptly. I can see evidence that Wise were doing so in September, but Wise have not provided enough evidence to show it was actively working on the case before then. As such I can't say it was fair for Wise to take as long as they did to return Ms D's funds.

But it doesn't automatically follow that I must award Ms D interest for that period. I have to consider all the circumstances and information surrounding Ms D's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

I appreciate Ms D would want to understand what evidence I am using to make this determination. However, Wise has provided information that I am treating in confidence, a power available to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. DISP 3.5.9R states:

"The ombudsman may:

(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate; ..."

I appreciate Ms D will be disappointed by the provisional outcome I've reached, but having considered this information, in the context of all the evidence and arguments I do not consider awarding interest for the dates specified to be a fair and reasonable outcome. As such, I am not requiring Wise to pay 8% interest on the funds in Ms D's account.

For the reasons I've outlined above I'm not planning to ask Wise to do anything further.

I appreciate why Ms D was disappointed with my provisional decision and why she would like to know the reasons why Wise closed her account. However, while Wise have a responsibility to share these reasons with the Ombudsman Service, I'm afraid Wise aren't required to share these with Ms D. So I don't think that her response changes my view.

Having considered Ms D's response, I see no reason to depart from my provisional decision. So I won't be upholding the complaint, or asking Wise to do anything further here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 29 October 2024.

Katy Grundy
Ombudsman