

The complaint

Mr F complains Wise Payments Limited unfairly closed his account.

What happened

Mr F held a Wise account which he used to receive payments for his translation work.

Wise reviewed Mr F's account in July 2023 and asked Mr F to provide proof of address confirmation. Following the receipt of this information and the account review Wise made the decision to close Mr F's account. In its notice to close letter dated 25 July 2023 Wise informed Mr F that he had 60 days to make alternative banking arrangements.

Mr F complained about Wise's actions, explaining the closure is a violation of his rights. Mr F explained there are no sanctions applicable to him as an individual and that he lives in the Ukraine, not Russia. Wise replied, explaining it had acted in line with the account terms and its user agreement. It said that it was complying correctly with sanctions guidance and apologised for the impact this would have on Mr F.

Mr F remained unhappy and referred his complaint to our service. An Investigator reviewed Mr F's concerns and upheld Mr F's complaint as Wise failed to provide adequate information for this service to effectively review Mr F's complaint. The Investigator recommended Wise compensate Mr F with £100 for the distress and inconvenience caused to him. Wise accepted this recommendation, however Mr F remained unhappy and asked for an ombudsman review.

Whilst the complaint was awaiting a review by an ombudsman, Wise provided further information. Based on this the Investigator revised their findings and found that Wise had acted fairly in reviewing and closing Mr F's account. Wise still agreed to pay Mr F £100 for the inconvenience he experienced due to its delays.

Mr F disagreed with the revised opinion sent by the Investigator. Mr F maintained Wise had treated him unfairly and it hadn't applied the sanctions guidance correctly.

As no agreement could be reached, the complaint was referred 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'm very aware that I've summarised the events in this complaint in far less detail than Mr F has and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the

right outcome. I do stress however that I've considered everything Mr F and Wise have said before reaching my decision.

Having done so, I've decided to not uphold this complaint. I know Mr F feels strongly about his complaint, and I don't undervalue how challenging the circumstances he's found himself in has impacted him. So, I'll explain why.

As the investigator has already explained, Wise has a wide variety of obligations it must follow when providing accounts to customers. These obligations are ongoing and are not only relevant to when an account is opened. In Mr F's case, Wise reviewed F's account in line with its sanctions policy, and its account terms.

Sanctions can be broad and relate to countries, individuals, trade and transactions. Wise is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Sanctions policies are also just one of the many things Wise must consider to ensure it's doing what it should. And if it didn't review accounts and the activity taking place on them, it could risk serious penalties. So, having a sanctions policy to mitigate against potential risks isn't itself wrong, and I would expect Wise to carry out the review it did on Mr F's account.

Following the review Wise informed Mr F of its decision to close his account. Mr F says the decision was wrong and illegal. In summary he argues the interpretation and application of the sanction's provisions are incorrect. Mr F says Wise has relied on EU law and guidance, but the UK is not part of the EU. In addition, Mr F says the UK recognises the area where he lives as Ukrainian, and not part of Russia. This means sanctions should not apply to the region where he lives.

I have thought carefully about Mr F's comments, and although Wise may not have fully explained the rationale behind its decision to close his account, I'm satisfied that it has done so fairly and in keeping with its broader regulatory duties. I've considered the guidance issued by the UK government at the time Wise reviewed Mr F's account. The guidance explains that whilst the sanctions apply to Russia, they also extend to non-government controlled Ukrainian territory. This essentially means that even though these regions are considered by the United Kingdom to be part of Ukraine, they are not under Ukrainian control. The area where Mr F resides is within one of these territories.

I've then gone on to consider whether the sanctions in place mean Wise is unable to offer Mr F a bank account. The government guidance specifically refers to the provision of financial services to non-government controlled regions, and there aren't any applicable exceptions to this guidance. Whilst I appreciate Mr F's strength of feeling over his situation, based on the evidence I've seen I think Wise acted reasonably in its review and subsequent closure of his account.

Mr F says that he is a victim of discrimination by Wise. He believes Wise has treated him unfairly due to his nationality. While I can appreciate this Mr F's perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr F has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that Wise treated Mr F, unfairly.

While I appreciate how Wise closing his account made Mr F feel, I have to consider if other customers in similar situations would have been treated the same way. Having looked at all the evidence, I haven't seen anything to show that Wise would have treated

another customer with similar circumstances any differently than Mr F. Based on the information I've seen Wise has based its decision on legal and regulatory factors. So, I can't say Wise treated Mr F unfairly because of his nationality.

I am sorry to hear of the difficulties Mr F has experienced and appreciate this has been a challenging time for Mr F. However, based on the evidence I have seen, Wise has acted reasonably. I know this will not be the outcome Mr F was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Wise to reopen his account.

Putting things right

Wise Payments Limited should pay Mr F £100 in recognition of the inconvenience caused by its delays.

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 January 2025.

Chandni Green
Ombudsman