

The complaint

Mr C complains that Wise Payments Limited closed his account without giving him prior notice or explaining why it had done so.

What happened

Mr C opened an account with Wise in March 2024. Wise is a money transfer business and, because of where Mr C lives, he could not hold funds in his account; he could only use it to make transfers.

In May 2024 Wise sought more information from Mr C about the individual to whom Mr C had been sending funds through Wise. He explained that the transfers were to his brother and were in respect of money which was due to him.

Wise was not satisfied with the information which had been provided and told Mr C that it was closing his account with immediate effect. Mr C complained to Wise about its decision. He said that, whilst the closure of the account had not caused him any actual financial loss, there was no financial business providing similar services which was available to him.

Wise said that it had acted in line with its terms and conditions and had not treated Mr C unfairly. Mr C referred the matter to this service, where one of our investigators considered what had happened and issued a preliminary assessment. He agreed with Wise that it had acted within its rights and in line with its legal and regulatory obligations; he did not recommend that the complaint be upheld.

Mr C did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Having done so, I've come to the same overall conclusions as the investigator did, and for broadly the same reasons.

It is generally for payment service providers such as Wise to decide whether to provide, or to continue to provide, those services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that Wise's decision to stop providing payment services to Mr C was a legitimate one. Wise did not have to tell Mr C the exact reasons for its decision.

Customers should however be given reasonable notice before an account is closed. What is reasonable depends on the circumstances, and there may be circumstances where immediate closure is appropriate. In this case, I agree with the investigator that it was reasonable of Wise to close Mr C's account with immediate effect. In saying that, I have in

mind that this was not an account with a balance of funds held on it; it was an account which Mr C used – and indeed could only use – to send money. So, even if I thought more notice should have been given, the lack of notice is unlikely to have caused any real inconvenience to Mr C.

As the investigator noted, Wise asked that some of the evidence and arguments which it submitted be kept confidential and not be disclosed to Mr C. This service can accept evidence in confidence where it considers it appropriate to do so (DISP3.5.9(2)R). Having considered carefully the nature of the evidence in this case, I am satisfied that it is appropriate to accept some of it in confidence.

My final decision

For these reasons, my final decision is that I do not uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 February 2025.

Mike Ingram

Ombudsman