

## **The complaint**

B complain Wise Payments Limited (“Wise”) closed their account without notice nor explanation.

B say Wise’s actions have caused them substantive financial loss, reputational damage, and inconvenience.

## **What happened**

This decision only deals with Wise closing B’s account. Any complaints where the complainant is a separate legal entity like another limited company or individual must be handled separately.

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Following a review, Wise restricted B’s account in December 2023. Wise closed B’s account with immediate effect in February 2024. B say Wise has done so unfairly particularly as the person their director sold their vehicle to through a social media site had maliciously raised a false fraud claim against them – which led to the block and subsequent closure of the account.

Unhappy B complained. Wise didn’t uphold B’s complaint saying it had closed their account in line with its terms and obligations. And it couldn’t give them any more information about why it did so. Wise also explained to B that it would need to complete any due diligence checks before it could refund any money held in the account.

B referred their complaint to this service. Wise explained to this service that refunds from B’s account were made in May 2024. But due to its error, this should’ve been done in March 2024. So Wise offered B 8% simple interest on the funds they were deprived of from March 2024 to settlement.

B didn’t accept this offer saying the account was closed from February 2024, so the interest should start from that point. And Wise has cost B its business, initiated broken relationships, reputation loss, and inconvenience. So Wise’s offer is insufficient.

Our Investigator looked into B’s complaint, and they recommended it wasn’t upheld because Wise had acted in line with its terms of account and done so fairly when closing the account. They also said they’d leave it to Wise to decide whether, outside of this service’s involvement, it wanted to make the offer it did directly to B.

B didn’t agree with what our Investigator said. In summary B reiterated the impact Wise’s actions had on them and its business activities. B also said that Wise violated its own timeframes.

As there was no agreement, this complaint has been passed to me to decide.

## **What I've decided – and why**

I'm very aware that I've summarised the events in this complaint in far less detail than the parties 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 B and Wise have said before reaching my decision.

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 have decided not to uphold this complaint. I'll explain why.

Financial businesses in the UK, like Wise, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Wise needs to restrict, or in some cases go as far as closing, customers' accounts.

Wise has explained why it reviewed and restricted B's account. Having carefully considered this, I'm satisfied Wise has done so in line with its obligations.

Wise is entitled to close an account just as a customer may close an account with it. But before Wise closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Wise and B had to comply with, say that it could close the account by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Wise closed B's account with immediate effect. To show why it made this decision, Wise has sent me an explanation and supporting evidence to consider. Having carefully weighed this up, I'm satisfied Wise acted in line with its terms and conditions, its obligations, and has done so fairly.

In reaching this finding I do accept that Wise could have done more in terms of due diligence with certain aspects of its review. But overall, given the evidence I've been presented with, I'm satisfied it hasn't done anything wrong in closing the account in the way it did.

I know B would like a detailed explanation, but Wise is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Wise has provided is information that we considered should be kept confidential.

As I don't think Wise has done anything wrong, I see no basis to make any award of compensation to B for any financial loss, reputational damage or inconvenience sustained. I cannot consider any distress to B's director given they are representing B – who are a separate legal entity to that of a private individual.

I note Wise offered to pay 8% interest for the delays it says it caused in returning the funds to B. But I don't find awarding B any compensation would be fair or appropriate. I understand B would want to know the information I have weighed to reach this finding. But as I said

earlier, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 6 January 2025.

Ketan Nagla  
**Ombudsman**