

The complaint

Mr L complains Wise Payments Limited trading as Wise unfairly closed his account after previously reopening it and offering him a fee free transfer of up to £3000. He also says Wise didn't provide statements for each currency sub-account for the period he wanted. He wants his account reinstated and the original offer of the fee free transfer to stand.

What happened

What follows restates much of the same background I set out in my provisional decision. I am repeating this information for the purposes of making my final decision.

Mr L held an account with Wise. Wise decided to carry out a review in early March 2024 following attempts by Mr L to pay in sums via an account he holds with a third party. He says he wanted to send this money to help pay for treatment and urgent surgery for his brother. He informed our service that he sadly lost his brother in April 2024, which I was deeply sorry to hear.

Wise asked Mr L for information related to his identity and the third-party account. They weren't happy with what he initially provided and deactivated his account. On 27 March 2024, after further submissions from Mr L, they decided to reinstate the account and said they would allow him to make a transfer of up to £3,000 without charging him fees as a gesture of goodwill. But, that same day they reviewed their decision again and decided to close his account permanently, removing the transfer offer.

Mr L also raised a complaint about Wise not sending him statements. He wanted statements for each currency sub account to also cover the date of 27 March 2024.

While Mr L's complaint was with our service Wise said they would as a gesture of goodwill offer him £11.05 due to the confusion closing his account caused. This represented a sum he might have saved had he been able to use the fee free offer.

Our investigator concluded Wise's offer was fair. But they said Wise had the discretion to close Mr L's account and they didn't need to inform Mr L about why. They found Wise complied with the terms of the account when closing it immediately.

Mr L said Wise's new offer was too low and £25 was more appropriate. Our investigator put this to Wise who refused to pay more than they had offered. They said Mr L's transactional history did not evidence he would have made a transfer regarding the currencies he had highlighted to our investigator, which would have incurred higher fees. Instead, he only sent money out of his account in Euros to a Euro account which wouldn't have incurred fees and he never sent more than 300 Euros in any one transaction.

Our investigator's view on Mr L's complaint remained unchanged, so his complaint was progressed so that an ombudsman could make a final decision. As a result, his complaint was passed to me to decide.

Mr L made further points, which in part included:

- He hadn't violated any of Wise's terms, and he hadn't made any transactions during the time the account was reinstated for them to then close his account.
- He had tried multiple times to get copies of his statements to show his balances on 27 March 2024 and only received them in July 2024.
- He no longer wanted £25 to resolve his complaint. Instead, Wise should reinstate the account and honour their original offer.
- It took them too long to return the money he tried to initially deposit to his account.

I issued a provisional decision in which I didn't uphold Mr L's complaint or require Wise to pay Mr L any redress. I said:

"Wise have important legal and regulatory obligations to meet when providing accounts. They can broadly be summarized as a responsibility to know their customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other harm. Periodically or where a concern arises, firms will usually carry out a review and sometimes block accounts until the review completes or their concern is allayed.

I've considered Wise's reasons for reviewing Mr L's account and asking for information from him. I'm satisfied they acted in line with their legal and regulatory obligations. They wanted to receive evidence in relation to Mr L's identity and the account he had attempted to use to deposit money into his Wise account - I have found no fault in their decision.

Wise weren't satisfied by what Mr L first sent them, and they took the decision to deactivate his account. It's common practice for firms to restrict accounts while carrying out a review and based on what Wise have said, I find their decision was reasonable.

Mr L went on to provide further information, particularly regarding the account he had attempted to deposit funds from. It's clear based on his communication with Wise that he felt they ought to be satisfied with what he had provided. But it was Wise's decision to make regarding what level of information would satisfy their requirements.

On the 27 March 2024 Wise initially decided to unblock Mr L's account which resulted in the gesture to offer a fee free transfer of up to £3,000. But another department at Wise then reviewed the account again and decided that the account should be closed with immediate effect.

I appreciate the decision to close his account must have concerned and confused Mr L. But I have carefully considered all the information and evidence Wise have presented alongside the applicable terms and conditions. Having done so, I'm satisfied their decision was fair and they were able to close his account immediately and did not need to honour the gesture of the fee free transfer. I don't find the circumstances were such that requiring them to maintain the account and the fee free offer would be appropriate.

Mr L would naturally want to know what led to Wise's decision and their reasoning. But Wise aren't obliged to reveal this information to him, and I consider the nature of this information is such that I am treating it in confidence - which is a power afforded to me under DISP 3.5.9R(2) of the Dispute Resolution Rules. I don't find Wise's decision to terminate its relationship with Mr L relates to anything that happened on his account on 27 March 2024.

Wise made an offer while Mr L's complaint was with us to pay him £11.05. But as I don't find they needed to maintain their original offer or that they acted incorrectly when closing his account, I do not require them to pay this sum. I leave it to Wise if they still wish to make this offer following my provisional decision.

Mr L wanted statements from Wise to show he didn't carry out any activity on 27 March 2024, and he is unhappy about the delay in sending them to him. But I am not awarding redress on this point. Mr L was provided statements earlier that March which showed no further activity on his account since February 2024, and he was aware he hadn't made any transactions on 27 March 2024. On balance, I don't find his frustration at not getting further copies covering the date of the 27 March 2024 sooner, warrants compensation considering these circumstances.

Mr L raised the matter of Wise not sending the funds he tried to deposit to his Wise account until 19 days had passed, outside of what he says is the two-business day deadline to receive the funds. I have not considered this point in this decision. I can't see this was part of the complaint Mr L asked our service to consider when he brought it to us on 16 March 2024. His complaint form dated 16 March 2024 refers to their decision to twice deactivate his account, not honouring the offer of a fee free transfer, and not sending him statements.

Before our service has the power to consider a complaint it must first have been brought to Wise. Only once Wise has sent a final response letter on that complaint or otherwise a specific period of time has passed from making the complaint, can our service have the jurisdiction to consider the complaint. So, if Mr L wants our service to consider a complaint about a delay to Wise returning the payments he tried to make into his account and losses this caused him, then he first needs to complain to Wise about it."

Mr L responded by the deadline I set and rejected the outcome I reached. Wise did not respond.

In summary, Mr L emphasised that Wise accepted the information he sent them, and he referenced the communication he received which said his account was reactivated, in which they made the gesture of the fee free transfer. He believes Wise have broken their agreement with him, it isn't legal, they have lied to him, and they shouldn't have referred to him by his first name, which he finds provocative.

Following Mr L's response and the deadline I set passing, I'm satisfied I have sufficient information and evidence to make 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've decided not to uphold Mr L's complaint and have done so for the same reasons I gave in my provisional decision. Those reasons are restated above and now form my findings for this final decision.

I've listened carefully to Mr L's response, but what he has said hasn't changed what I find to be the fair outcome to his complaint.

I remain satisfied that when Wise began their review on Mr L's account they weren't initially satisfied by what he provided. But on Mr L submitting further information, particularly regarding the account he wanted to deposit money from, a decision was taken to reactivate his account, which resulted in the fee free transfer gesture. I don't find there is an error of fact here.

What is then clear - based on the information I have seen - is that another department at Wise reviewed the decision to reinstate the account and they decided to close the account immediately, which in turn meant the gesture of the fee free transfer would not be honoured. This subsequent decision was made the same day Mr L received communication of the fee free transfer.

I appreciate the change in Wise's decision no doubt concerned Mr L, and this is one of the main premises behind his complaint, but I don't find the decision was unfair based on the evidence and information Wise submitted to our service. I find that information should be treated in confidence, which is what I have done. And I'm satisfied it shows Wise's decision was in line with their terms and conditions when closing the account in the manner they did. I don't find the previous gesture of a fee free transfer obligated Wise to keep the account open so that Mr L would have an the opportunity to make a transfer.

Wise made an offer of £11.05 as a gesture of goodwill prior to our investigator reaching their view on the complaint. I do not require Wise to pay this sum because I'm satisfied they had a legitimate basis to close the account and in doing so prevent Mr L from making a fee free transfer. If Wise still wish to make this offer and Mr L wishes to accept it, I leave this to them to agree.

Mr L commented on being unhappy that Wise referred to him by his first name after making a complaint. I appreciate the offence Mr L says he was caused, but how persons wish to be addressed is to a great degree subjective. I am sorry he was offended, but I don't find Wise were objectively inappropriate or discourteous such that they should pay compensation.

My final decision

My final decision is I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 December 2024.

Liam King
Ombudsman