

The complaint

N, a limited company, complains that Wise Payments Limited closed their account without notice.

N is represented by a director, Mr C.

What happened

N held a multi-currency account with Wise. But in October 2023 Wise carried out a review of N's account, and ultimately took the decision to close it. Wise said this was because N had breached the terms of their agreement by using the account for cryptocurrency.

Mr C complained to Wise, on behalf of N. He said that N had not been involved in cryptocurrency trading at all. He supplied invoices and employment contracts to show this. But Wise didn't think this changed anything.

Dissatisfied with this Mr C referred N's complaint to our service. One of our investigators looked into what happened. She asked for further information from N about how the accounts was used. She also received further information from Wise about their reasons for closing the account. Overall, she felt that Wise hadn't been unreasonable in deciding to close N's account in the manner they did.

Mr C disagreed, saying that N hadn't done anything wrong and had been engaging in legitimate business transactions. As no agreement could be reached the complaint has been passed to me to decide.

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.

For clarity, this decision only covers Wise's decision and actions when closing the account belonging to the UK entity of N's business. I understand N has a connected company overseas, who also had accounts closed with Wise. But I'm not considering Wise's action in relation to the overseas company, solely the one based in the UK.

Wise, like all regulated financial businesses in the UK, have numerous legal and regulatory obligations to meet when providing account to their customers. Broadly, these obligations require them to monitor accounts for signs of financial harm, or financial crime. Failure to meet these obligations can have serious consequences for Wise, so it's right that they take these seriously.

These obligations mean that on occasion Wise may need to carry out a review into an account, or specific transactions. And they may feel it is necessary to block an account, to prevent any further transactions, while they carry out such a review. There is provision for this in the terms of N's account with Wise.

There's no specific obligation on Wise to explain to N the nature of the review – and in this case they've only specified that they believe N was involved in cryptocurrency trading, which is against the terms of the account. N has denied this, and looking at the statements for N's accounts I can't see there is any direct payments to or from a cryptocurrency exchange.

But Wise has provided our service with further evidence as to why they decided to block N's account to carry out a review. The rules of our service allow us to treat certain evidence in confidence – for example if it contains information about third parties, or security procedures. In this case I'm satisfied that it's appropriate to treat Wise's evidence as confidential. So, I'm sorry to Mr C that I won't be detailing it in full here. I appreciate Mr C would certainly like to know more, and I've carefully weighed this information against the information he's supplied.

But overall, I'm satisfied that it was appropriate that Wise blocked N's account while they carried out their review. This is in line with the terms of the account, and their wider legal and regulatory obligations.

The ultimate result of the review was that Wise no longer wished to provide accounts services to N. The terms of the account allow Wise to close an account – although typically they'd be expected to give two months' notice.

Here though N never regained use of the account after the review began, so for practical purposes it was closed without notice. The Wise terms only allow this type of termination in limited circumstances. Having considered Wise's concerns which led to the review, I'm satisfied that the closure was in line with the terms of the account. I've seen nothing to suggest the decision to close was unfair, or unreasonable. This was a legitimate decision they were entitled to make.

While I've no doubt that Mr C will be disappointed in my decision, I don't see that Wise have treated N unfairly or unreasonably.

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 N to accept or reject my decision before 3 April 2025.

Thom Bennett
Ombudsman