

## **The complaint**

Mr A complains Wise Payments Limited charged him a series of currency conversion fees over a three-month period which he didn't authorise.

## **What happened**

Mr A explained he received a payment into his Wise account from a third party in late June 2024. Wise explained this payment was made in euros to Mr A by the third party, Mr A disputes this and has said the third party made the payment in sterling.

Throughout late June, July and August Mr A used his Wise debit card. He has provided evidence which shows Wise debited funds from his euros balance to fund transactions he made in sterling. Mr A has provided our service with a series of screen prints of transactions for this period, showing Wise charged him conversion fees for these purchases made in sterling.

Wise wrote to Mr A towards the end of August. It said the currency for the transfer in June was set by the sender but explained it couldn't provide details about the payment as he was the recipient. Wise suggested Mr A contact the third party and ask to see details about how they had requested the transfer.

Wise explained to our service it offers a multi-currency account, allowing customers to hold separate balances in different currencies. The debit card Wise issues is linked to these balances and typically takes funds from any balance held in the local currency where the card is used.

Wise explained when a customer does not have sufficient funds in the local currency, its smart conversion feature automatically takes payments from balances held in other currencies calculating the best options, in terms of cost, to fund the purchases.

Wise said Mr A didn't have sufficient funds to make payments in sterling during certain periods over the three months in question, so Wise automatically debited these transactions in euros, explaining this was the best alternative currency where Mr A had funds with a positive balance.

Wise also provided our service with details of its terms and conditions which explains this process to customers.

Our investigator didn't think Wise needed to take any action. They thought Wise was complying with its terms and conditions when it used the smart conversion process to fund Mr A's sterling transactions with euros. They accepted Mr A didn't have sufficient sterling funds to fund these transactions, and recognised Wise could only have made these payments from his euros account, as he didn't hold funds in any other currency at the time. They therefore didn't think Wise had made any errors with Mr A's account and didn't recommend upholding his complaint.

Mr A responded, reiterating the issues were caused by Wise transferring funds from the third party in euros rather than sterling, as it should have.

As Mr A has rejected our investigator's recommendation, his complaint has been passed to me 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 appreciate how strongly Mr A feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

I appreciate Mr A's complaint stems from issues with a transfer into his euro account by a third party. Had this transfer been made in sterling, then it is likely the issues regarding currency conversion fees would not have occurred, as it is likely Mr A would have had sufficient funds in his sterling account to fund the transactions in question. I also understand the third party who sent the funds is currently disputing the circumstances, complaining they made the transfer in euros. This is subject to a separate complaint with our service.

I can see Mr A has made several representations regarding this transfer by the third party following our investigator's view, strongly reiterating the transfer was made in sterling not euros. As I understand it, Mr A was not privy to the details of this transfer, which occurred abroad, and is not an eligible complainant for these issues. I therefore trust he appreciates I cannot make any findings or conclusions regarding this transfer in this decision, as this complaint is concerning how the third party instructed this payment.

I therefore must limit my findings here to whether Wise treated Mr A fairly and reasonably, taking into account the relevant circumstances surrounding his complaint.

I can see Mr A had a low balance in his sterling account with Wise between 21 June and 18 July. This is a matter of record, and I can see our investigator has supplied relevant statements to Mr A for this period. I can see on 18 July a payment of several hundred pounds was made into Mr A's Wise sterling account. After this credit, payments started to reoccur from his sterling account with payments successfully made from it in sterling to supermarkets over the next few days.

Mr A has also submitted some payments made in euros from mid-August, again, I can see Mr A again had a low balance in his sterling account during this period. He still had funds available in his euro account, so transactions were again funded from this balance with further fees incurred for these transactions, before a further sterling credit meant payments could recommence from his sterling account.

I have examined the screenshots Mr A has provided our service. I can see the transactions where euros were used instead of sterling were during the periods I have highlighted above, where Mr A had a low balance and could not fund the payments he made from his sterling balance. Having carefully considered the statements of both Mr A's sterling and euros accounts with Wise during this period, I am satisfied Wise only funded payments in euros when Mr A didn't have any funds in his sterling account.

I have considered the terms and conditions supplied by Wise, these state: *'You may hold balances in different currencies in your Wise Account. If you are making payments or withdrawing funds in a currency you hold, the payment will be made from that balance. If you are making a payment or withdrawal in a currency you do not hold in your Wise Account, we will convert the amount applying the Wise rate and fee to a balance that you hold – please see our pricing page for further information on our rate and fees...'*

These terms explain Wise will seek to make payments from balances in other currencies when the currency used is not available. It also makes it clear there are fees for this service and provided a link for these fees.

I therefore do not think Wise has acted outside of these terms when funding Mr A's purchases with euros and charging the fees it has. I am satisfied these terms are set out and clear to customers.

I appreciate Mr A will be disappointed with my decision. I trust I have explained in sufficient detail why I am not persuaded from the evidence Wise has done anything wrong or outside the terms and conditions in funding the transactions as it has. I also hope Mr A understands I am limited in making a finding about the transfer into his account.

For these reasons I do not think it would be fair or reasonable to ask Wise to refund the fees highlighted by Mr A.

### **My final decision**

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 March 2025.

Gareth Jones  
**Ombudsman**