

## **The complaint**

X complains Wise Payments Limited closed his account without reason and have retained the account balance.

X is represented on this complaint, but I will refer to X directly throughout.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

X held a Wise account which was opened in January 2023. Following a review of X's account Wise informed him in September 2024 that the account would be deactivated with immediate effect. X's balance on the account of £10,830 was withheld, with Wise explaining it wouldn't be able to release the funds due to its ongoing review.

X raised a formal complaint about the sudden and immediate closure of his account. X explained this was causing him and his family financial issues and a huge amount of stress and asked Wise for the immediate release of his account balance. Wise reviewed his concerns and in its final response letter dated 2 January 2025 it explained it made the decision to permanently deactivate the account in line with the account terms. It highlighted that the possible reasons for it taking this action were detailed in its Customer Agreement.

X remained unhappy with Wise's handling of his account and refer his complaint to this service. An Investigator reviewed X's concerns, and in summary made the following findings:

- Wise acted in line with the account terms and conditions when it closed X's account and it had acted fairly.
- Wise can close the account immediately in specific circumstances.
- Wise are complying with their legal and regulatory obligations in not returning the account balance.

X remained unhappy with the review, and using a representative he made further representations. In their submissions, X's representative provided a breakdown of who X had made payments to and explained the account activity. X's representative asserted that there has been no suggestion of fraud or misuse by Wise of X's account. In addition, the representative explained the immediate closure terms weren't highlighted to X when he opened the account.

The Investigator reviewed these additional points, but his overall opinion remained unchanged. As no agreement could be reached, the case has been referred to me – an ombudsman – for 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 X was disappointed by the Investigator's opinion. I'd like to reassure X that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. I can assure X have read all of X's submissions.

I'll start by setting out some context for the review of X's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. In X's case I'm satisfied Wise was complying with these obligations when it reviewed X's account.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Wise has treated X fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I want to make it clear that I understand the account closure and subsequent complaint have been a source of worry and upset for X. I've no doubt it would've come as quite a shock to him, and he would've been very worried to find out that his account had been closed. But as outlined above, Wise has extensive legal and regulatory responsibilities they must meet when providing account services to customers.

X says there hasn't been any suggestion of fraud or misuse of the account – it has always operated within the terms of the account. In my review I've considered the basis for Wise's review and having done so I find this was legitimate and in line with its legal and regulatory obligations. So, I'm satisfied Wise acted fairly by reviewing and then closing X's account. I understand X would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, 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. Accordingly, I have accepted information in confidence which I am not disclosing to X. And the description of that information is that it's of a nature which justifies Wise's review, and which has led me to decide that Wise have not treated X unfairly when it closed his account and withheld the funds within it.

X says Wise didn't draw his attention to the term in the account user agreement that allow it to close the account without notice and without lawful grounds. Wise has confirmed X would've been provided the account terms when the account was opened in 2023, and they were accepted in order for the account to open. So, I can't agree that Wise failed to provide details of this term. I must also highlight the term doesn't allow for closure without lawful grounds – instead it specifies the account may be closed if certain terms are met – and this includes the User Agreement terms.

I understand X says he does not want an account with Wise, but the funds within his account are legitimate and should be returned to him. X has provided details regarding the financial

support he provides family members and charities, and I do appreciate the lack of access to his account balance will have a wide-reaching impact on X and those he supports. However, the evidence provided by Wise shows that it has withheld the funds in line with its legal obligations, and it isn't currently in a position to release these to X.

So, I'm not requiring Wise to compensate X for any trouble and upset he may have experienced because of Wise carrying out its review, and the further dissatisfaction he experienced from not having access to the funds in his account.

I know this will not be the outcome X was hoping for, and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Wise to take any further action.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 June 2025.

Chandni Green  
**Ombudsman**