

The complaint

Mr C complains Wise Payments Limited (Wise) delayed transferring money from his Wise account to an account overseas. The transfer wasn't sent despite Mr C providing information. To put things right, Mr C would like compensation for the delays that he experienced.

What happened

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

Mr C has an account with Wise.

On 23 December 2024, Mr C set up an international transfer from his account, converting £13,5000 GBP to just over 61,000 AED to his friend's account in United Arab Emirates (UAE). Mr C has explained that he was sending the money to his friend's business to help him with some business losses. And that the money was a gift.

For transfers going from the UK to UAE, Wise use another bank which I will refer to as B. After the money was converted from GBP to AED, Wise sent the funds onto B, so that B could then send them onto the recipient bank in UAE.

To comply with its legal and regulatory obligations the payment was flagged by B for sanctions checks and stopped. As part of its checks B asked Wise to obtain more information from Mr C which he provided on 26 December 2024. This response led to additional questions, the final of which Mr C answered on 31 December 2024.

Following this Mr C contacted Wise on several occasions seeking an update about the payment. But Wise couldn't provide him with much information other than it was waiting for B to complete its checks. Wise let Mr C know it would review the information provided. However, by 17 January 2025 the money still hadn't arrived.

Wise contacted B about the payment. B told Wise that it had cancelled the payment as a result of its sanctions checks and the payment was refunded to Mr C's account on 22 January 2025.

Mr C complained. He said as a result of the time it took for the payment to be refunded and for B to complete its checks he lost money because of a change in exchange rates. Mr C also said he had to spend at least an hour a day chasing things up with Wise to try and find out what was happening with the payment. Mr C said this took him away from his work and time with his family. So, he said Wise should compensate him for his losses.

In response, Wise said it B didn't delay this transfer on a whim, or to be difficult. It explained B had to conduct sanctions checks on the transfer before any money could be sent. So, it said it hadn't done anything wrong.

Mr C remained unhappy and brought his complaint to our service where one of our investigator's looked into what had happened. The investigator didn't uphold the complaint.

In summary they said Wise's partner bank held up Mr C's payment to comply with its legal and regulatory obligations. And Wise hadn't done anything wrong when asking Mr C for information to provide B.

Mr C disagreed. In summary he said:

- Wise still had a duty of care to ensure efficient handling of his transaction and clear communication throughout the process. Instead, he experienced prolonged uncertainty, distress, and significant inconvenience as he repeatedly had to follow up, spending hours on calls and emails over several weeks.
- He challenges the notion that Wise cannot be held responsible for delays caused by its partner bank. Wise selected this partner and facilitated the transaction, and as a customer, his agreement was with Wise—not the partner bank. Regardless of the external review, Wise had a responsibility to advocate for timely resolution and provide transparency.
- In addition, the emotional strain and practical disruptions caused by this situation were not minor inconveniences. The extensive amount of time he invested in chasing Wise disrupted his personal and professional commitments. He also lost the opportunity to secure a better exchange rate, which directly impacted on the financial effectiveness of his intended transaction.

As no agreement could be reached the matter has come to me to review.

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'm very aware that I've summarised Mr C's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by me in taking this approach. Instead, I've focused 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 point to be able to reach what I think is a fair outcome. But I want to assure Mr C that I have read all his submissions.

Firstly, I'd like to make clear that this service isn't a regulatory body or Court of law and doesn't operate as such. This means that it isn't within my remit to decide whether Wise have acted in a non-regulatory way or unlawful way. Our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint.

I believe it's also important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Wise acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr C's complaint.

As the investigator has already explained, Wise has a wide variety of legal and regulatory obligations it must follow when providing accounts to its customers. These obligations are ongoing and are not only relevant when an account is opened. It appears Mr C is aware of these obligations and accepts this position.

Wise uses a number of partner banks worldwide to help transfer money, which isn't unusual. In this case it was bank B. Wise has said B blocked Mr C's payment to his friend's business due to UK financial sanctions and asset freeze requirements. It was concerned that the payment was being made to a business that appeared to have links to Syria which is subject to UK sanctions. Having looked at the information Mr C provided and details of the Mr C's friends business, I can understand B's concerns.

Sanctions checks aren't just a part of a company's processes and procedures; they form part of international law. Companies like Wise and B must have stringent measures in place to prevent money being sent to an internationally sanctioned country, region or individual. Failure to have adequate controls in place can result in fines and other damages towards a company so it must have them in place. I can see from the line of questioning that B had concerns about Mr C's friend's business had possible links with Syria and Kuwait, with Syria being a sanctioned country.

Sanctions can be very broad and relate to countries, individuals, trade and transactions. Banks and financial businesses are expected to take measures to comply with current sanctions, which means they have extensive things they need to be aware of and monitor.

Sanctions are just one of the many things Wise and B must take into account to ensure it's doing what they should when processing payments. And, if they didn't review accounts and the activity taking place on them, they could risk serious penalties. So, having a sanctions policy or other policies to mitigate against potential risks isn't by itself wrong. This applies to both new and existing customers regardless of how many years a customer may have held an account with Wise.

Given the obligations Wise and B must follow, and looking at all the circumstances of this complaint, in particular Mr C's responses to B's questions, which Wise sent to Mr C and the potential links to Syria, I'm satisfied that it was reasonable and proportionate for B to ask Wise to get more information from Mr C. The terms and conditions of the account also make provision for Wise to request information from a customer.

After Mr C provided his answers, I can see that B had a number of background checks they had to conduct before they were happy to send the money. There's no doubt Mr C suffered inconvenience due to this delay. But having looked at the timeline I'm satisfied that Wise processed Mr C's payment and forwarded onto to B without any delays. I can't hold Wise responsible for B's actions. International sanctions checks must take precedence, even if it causes inconvenience to the customer. That's because companies like Wise and B have legal obligations to conduct these types of checks if they fear sanctions laws could be broken. Therefore, at times a transfer might need to be delayed until the company being asked to send the money is confident they are able to send the money. In the end, B cancelled the transfer, and they weren't able to send the money. They didn't explain specifically why it failed, but the funds were returned to Mr C on 22 January 2025.

The crux of Mr C's complaint is Mr C's frustration that he had to wait for further security checks to authorise a payment he feels Wise could have made.

I appreciate Mr C would have been frustrated that his payment was stopped for further security checks. However, I can't say Wise acted unreasonably as its terms and conditions explain security checks may be required, and it had expressly informed Mr C about this. I

wouldn't expect Wise to ignore any security check warnings the payments prompted. And I wouldn't expect them to ignore its legal and regulatory obligations. And not adhere to international sanctions laws. To do so would undermine the security systems in place and potentially breach its regulatory obligations. Ultimately the payment was stopped by B and not Wise. And I can't hold Wise responsible for the actions of B.

Mr C says he wasn't given any meaningful updates and had to wait a month for his funds to be returned. I agree this is a long time. But I can see that Wise told Mr C on more than one occasion that it was waiting for B to respond and that Wise chased B on more than one occasion. So, I think Wise did what I'd expect it to do. I'm also satisfied that Wise didn't cause any unnecessary delays. Therefore, it wouldn't be appropriate for me to ask Wise to pay Mr C any compensation since I don't find it acted inappropriately in taking the actions that it did. be asking Wise to pay Mr C any compensation

In summary, I know this will come as a disappointment to Mr C but having looked at all the evidence, I can't conclude Wise has treated Mr C unfairly. It follows that I don't uphold this complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 October 2025.

Sharon Kerrison
Ombudsman