

The complaint

Mr A complains that Wise Payments Limited trading as Wise (Wise) unfairly closed his account without providing a proper explanation.

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 A had an account with Wise which he said he used for work.

In May 2025, Mr A received a payment into his account. To comply with its legal and regulatory obligations Wise decided to review Mr A's account. Whilst it reviewed Mr A's account Wise blocked the account.

Following its review Wise decided to close Mr A's account immediately. Wise wrote to Mr A to let him know it was deactivating his account in line with the terms and conditions. And its user agreement.

Mr A complained to Wise. He said Wise had treated him unfairly when they closed his account and being without access to his account had caused him a lot of problems. In response, Wise maintained its position. And said that it didn't have to provide Mr A with an explanation.

Mr A remained unhappy and brought his complaint to our service where one of our investigators looked into what had happened. After looking at all the evidence the investigator didn't uphold Mr A's complaint. In summary they said Wise hadn't treated Mr A unfairly when it had decided to close his account.

Mr A disagreed. In summary he said:

- He had used his account properly so Wise had no reason to close it.
- He wants Wise to provide a proper explanation for why it no longer wants him as a customer.
- He complied with Wise's requests for information and explained how he was using his account. So, Wise shouldn't have closed his account.
- To put things right he wants the account reopened.

As no agreement could be reached the matter has come 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.

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 Mr A fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Banks and financial business in the UK, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. That sometimes means Wise need to review, or in some cases go as far as blocking and closing customers' accounts.

I want to make it clear that I understand why what happened concerned Mr A. 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 blocked. But I've also considered the basis for Wise's review, which includes looking at the information Wise has shared with our service in confidence, when deciding whether Wise treated Mr A fairly. Having looked at all the evidence, and circumstances I'm satisfied that Wise have acted in line with the terms and its legal and regulatory obligations when it reviewed Mr A's account.

It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank or financial business must keep customer or require it to compensate a customer who has had their account closed.

The user agreement which Mr A would have agreed to when he opened his account with Wise sets out the terms under which Wise operates the account. And these allow Wise to limit or close an account if it wishes to do so immediately. Wise reviewed Mr A's account and identified an issue with the use of it. And it decided to permanently limit the use of the account.

Based on the information I've seen, which includes the information Wise has shared with us in confidence, I can't say Wise has acted unreasonably and treated Mr A unfairly when it decided to close his account. And I'm satisfied that Wise has followed its processes and the terms of its user agreement when closing the account. So, I don't think it's done anything wrong by permanently limiting Mr A's account. And I won't be asking Wise to reactivate Mr A's account.

I know Mr A is frustrated that he hasn't been given a detailed reason as to why Wise has done this. But it's not obliged to do so. So, I can't say it has done anything wrong in not giving him this information as much as he'd like to know. And it wouldn't be appropriate for me to require it do so now.

Having said that I can see that when Wise wrote to Mr A to let him know it had limited his account, it did provide Mr A with an explanation for its actions and referred him to its terms and conditions. So, I think its likely Mr A had some understanding of the reason behind Wise's decision albeit not to the level of detail he would like. But as I've already said, Wise don't have to give him this information.

I've taken on board Mr A's comments and the impact he says Wise closing his account had on him. It's within my powers to direct Wise to put this right if I think it did something wrong here. But after considering all of the circumstances and evidence, I don't find awarding Mr A compensation would be fair or appropriate. I understand Mr A 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.

Furthermore, banks and financial business may have information which is confidential for a number of reasons. Wise said that it wasn't able to share any information which related to its investigation and the account closure due to it being sensitive. I think this is fair and reasonable in the circumstances. This information has been shared with us and though I appreciate Mr A may find this frustrating, I hope it gives him some reassurance that someone independent has also considered it.

In summary, I recognise how strongly Mr A feels about what's happened. I don't doubt it has been a frustrating and worrying time. So, I realise Mr A will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Wise have acted unreasonably and treated Mr A unfairly when it closed his account.

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 A to accept or reject my decision before 20 October 2025.

Sharon Kerrison
Ombudsman