

The complaint

Miss S complains that Wise Payments Limited trading as Wise (Wise) unfairly closed her account without providing a proper explanation. Miss S adds that Wise took too long to release her closing account balance. And gave her wrong information.

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.

Miss S had an account with Wise.

In August 2024, to comply with its legal and regulatory obligations Wise decided to review Miss S's account. As part of its review Wise asked Miss S for proof of her address. Whilst it reviewed Ms S's account Wise blocked the account.

In response, Miss S explained to Wise that she was living with a relative and provided documentation including a bank statement to satisfy Wise's request. Miss S also asked Wise to explain why it had blocked her account.

Wise reviewed everything and following this it decided to close Miss S account immediately. Wise wrote to Miss S on 10 August 2024 to let her know it was deactivating her account in line with the terms and conditions. However, it referred to the wrong clause in the terms for the reason for closing Miss S's account.

Miss S appealed to Wise and asked them to review its decision. She said she had always used her account properly and the reason Wise had referred to in its terms for closing her account didn't make sense. She also pointed out that when she had opened the account she'd told Wise her address was a relative's and at the time Wise told her it didn't have any concerns.

Miss S asked Wise to release her closing balance to a Nigerian account. However, Wise didn't process the transfer. As a result Miss S made multiple calls to Wise to try and find out what was happening. Wise told Miss S the transfer had been delayed because it didn't have the necessary regulatory permissions to send money to Nigeria. So it asked Miss S to provide details of another account. Miss S provided a relative's account details in Singapore and after some back and forth, and Miss S raising a complaint with the Monetary Authority of Singapore, (MAS) on 16 August 2024, Wise transferred Miss S's account balance to her relative's account.

Miss S complained to Wise. She said Wise had treated her unfairly when they closed her account and took too long to release her balance. In response, Wise maintained its position that it had closed Miss S's account in line with the terms and conditions of the account. It apologised for quoting the wrong clause in the terms and referred to the correct term in its final response letter. Wise acknowledged that its service had fallen short and offered Miss S £100 compensation.

Miss S remained unhappy and brought her complaint to our service where one of our investigators looked into what had happened. After looking at all the evidence the investigator upheld Miss S's complaint. In summary they said Wise had closed Miss S's

account in line with the terms and conditions. And didn't have to provide Miss S with an explanation for why it no longer wanted her as a customer. The investigator said Wise hadn't taken a long time to return Miss S's closing balance, but Wise's communications could have been better. To put things right the investigator said Wise should pay Miss S £150 instead of £100 compensation for the trouble and upset this caused her.

Wise didn't respond. Miss S disagreed. In summary she said:

- She has used her account properly so Wise had no reason to close it.
- She wants Wise to provide a proper explanation for why it no longer wants her as a customer.
- She complied with Wise's requests for information and explained how she was using her account. So, Wise shouldn't have blocked and closed her account.
- No amount of compensation can make her feel better about losing her account, which she's had for years.
- She has to raise a complaint with MAS to get Wise to release her money.

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

As the investigator has already explained, 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. The terms and conditions of Miss S's account also make provision for this.

I want to make it clear that I understand why what happened concerned Miss S. I've no doubt it would've come as quite a shock to her, and she would've been very worried to find out that her 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 Miss S 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 blocked Miss S's account. So, I don't find Wise treated Miss S unfairly.

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.

Wise have relied on the terms and conditions when closing Miss S's account. I've reviewed the terms, and they explain that Wise can close an account for any reason by giving two months' notice. In certain circumstances, Wise can also close an account without notice, which is what has happened here.

For Wise to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Wise has provided to this service in confidence, I'm satisfied that Wise did. And that it was entitled to close Miss S's account as it's already done. So, it would not be appropriate for me to ask Wise to pay Miss S compensation since I don't find Wise acted inappropriately when it closed her account. And I won't be asking Wise to reopen Miss S's account.

I understand of course why Miss S wants to know the exact reasons behind Wise's decision to close her account, other than what she's been previously been told. And I can see that Miss S has asked Wise to explain itself on several occasions. But Wise doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Miss S the reasons behind the account closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss S this information. And it wouldn't be appropriate for me to require it to do so now.

Miss S has said that Wise took far too long to release her account balance. From looking at the evidence I can see it took Wise six days to release Miss S's balance, which I don't find unreasonable – Wise couldn't send money to Nigeria. And had to then make further regulatory checks to arrange Miss S's money to be sent to a different account. I'm satisfied that Wise didn't cause any unnecessary delays in trying to get Miss S's funds back to her.

Whilst I don't think Wise did anything wrong when it reviewed Miss S's account, I do think they got things wrong when they closed her account. Wise has acknowledged their errors and accept it should have communicated with Miss S much more clearly and sooner. Wise offered Miss S £100 compensation in recognition of this. The investigator said Wise should pay Miss S £150 compensation for the trouble and upset caused by its poor communication. Miss S says this isn't enough.

Having looked at the emails between Miss S and Wise I do think Wise could have communicated much more clearly about the fact that it couldn't send Miss S's money to an account based in Nigeria due to regulatory issues. Miss S had to make a number of phone calls trying to find out what was happening with her money and arrange for the funds to be sent to a relatives account in Singapore, which I think could have been avoided if Wise had told her at the first opportunity it couldn't send money to Nigeria. So, I'm satisfied that Miss S was caused some inconvenience.

Wise also accepts that it referred to the wrong term when it wrote to Miss S to let her know it had decided to close her account. Miss S said she was confused when she received Wise's notification as the term didn't relate to how she'd been using the account. The term Wise referred to had nothing to do with an account being closed but related to foreign exchange rates. So, I can understand why Miss S was confused.

I have carefully considered all of Miss S's submissions about how Wise's actions impacted her, including the effect of the stress Miss S says was caused by all this and the time she had to spend contacting Wise and MAS. Wise has offered Miss S a total of £100

compensation to acknowledge their errors and to put right the impact they caused. Our investigator said this should be increased to £150. That seems more than fair to put things right here.

I know Miss S is seeking more compensation. But when a business makes a mistake, we often tell them to pay compensation, to acknowledge their error and the impact it had. In terms of the amounts, it's worth keeping in mind that we're an informal dispute resolution service. We're not the regulator, and we're not here to issue fines or to punish businesses. Further, I'm only awarding compensation for Wise's poor communication. As I've said above I've found the review and closure of Miss S's account to be fair.

In summary, I realise Miss S will be disappointed by my decision, but I won't be telling Wise to do anything more to resolve her complaint.

My final decision

For the reasons I've explained, my final decision is that I partly uphold this complaint. To put things right Wise Payments Limited (trading as Wise) should:

- Pay Miss S £150 compensation for the trouble and upset caused by its poor communication.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 28 August 2025.

Sharon Kerrison
Ombudsman