

## The complaint

Mr U complains that Wise Payments Limited trading as Wise (Wise) unfairly blocked and 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 U had an account with Wise which he used to receive payments from clients for his freelance work.

In April 2025, Mr U to comply with its legal and regulatory obligations Wise decided to review Mr U's account. Wise blocked Mr U's account whilst it completed its review.

As part of its review Wise asked Mr U to provide information regarding his identification, address, source of wealth and how he used his account. Mr U sent Wise several documents including his passport, driving licence and information of how he made a living, and explanations for deposits into his account.

Wise reviewed everything and following this it decided to close Mr U's account immediately. Wise wrote to Mr U to let him know it was deactivating his account in line with the terms and conditions. And released Mr U's balance back to him.

Mr U 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 particular he said he relied on the account to make a living and receive payments from his international clients. In response, Wise maintained its position that it had closed Mr U's account in line with the terms and conditions of the account. And that it didn't have to provide Mr U with an explanation for why it no longer wanted him as a customer.

Mr U 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 U's complaint. In summary they said Wise had blocked and closed Mr U's account in line with the terms and conditions. And wasn't obliged to provide Mr U with an explanation for its decision.

Mr U 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.
- Because Wise didn't tell him why it closed his account he hasn't been given an opportunity to address any concerns Wise might have had about how he was using his account, which isn't fair.
- 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 U 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 can see that Wise asked Mr U to provide up to date information about the source of the funds for transactions on his account, his source of wealth and his identification. Wise asked Mr U to provide information is because it's obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities.

Wise is entitled and obliged to conduct such checks in order to comply with its legal and regulatory obligations. This applies to both new and existing customers regardless of how many years a customer may have held an account with Wise. And regardless of the type of account held by a customer.

I want to make it clear that I understand why what happened concerned Mr U. 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. I can also see that Mr U feels he wasted his time gathering and providing Wise with a lot of information. 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 U 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 and blocked Mr U's account. And asked Mr U to provide it with information about him and how he was using his account. So, I don't find Wise treated Mr U unfairly when it blocked and reviewed his account.

Following its review, Wise decide to close Mr U's account immediately. 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.

In doing so, I appreciate that Wise is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Wise should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. Having looked at all the available evidence, I'm satisfied by taking the approach it did, Wise acted reasonably and proportionately in the circumstances.

As a general rule Wise isn't obliged to continue offering an account to a customer if it doesn't want to – providing payment transfer services and facilities and to who is a commercial decision and not something this service can get involved with. That being said it wouldn't be fair or reasonable for Wise to suspend or close Mr U's account outside the terms and conditions of the account or without valid reason – which includes mitigating any potential risk to Wise and to its customers.

Wise have relied on the terms and conditions when closing Mr U'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 Wise 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 Mr U's account as it's already done. So, it would not be appropriate for me to ask Wise to pay Mr U compensation since I don't find Wise acted inappropriately when it closed his account. And I won't be asking Wise to reopen Mr U's account.

I understand of course why Mr U wants to know the exact reasons behind Wise's decision to close his account, other than what he's been previously been told. And I can see that Mr U 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 Mr U the reasons behind the account closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr U this information. And it wouldn't be appropriate for me to require it to do so now.

In summary, I recognise how strongly Mr U feels about what's happened. I don't doubt it has been a frustrating and worrying time. So, I realise Mr U 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 U unfairly when it blocked and closed his account. So, I won't be asking Wise to do anything more to resolve Mr U's 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 U to accept or reject my decision before 6 January 2026.

Sharon Kerrison  
**Ombudsman**