DRN-5754377

The complaint

Mr S complains that Wise Payments Limited has not recovered funds which were credited to the wrong account.

What happened

In May 2023 one of Mr S's clients tried to pay an invoice for US$13,000 by way of transfer to his Wise account. Wise is an international money transfer platform.

Unfortunately, Mr S's client used the wrong account number. The account number it used was, however, a valid one, so the funds were credited to another of Wise's customers.

Mr S asked Wise to help him recover the money which he should have received. Wise told him that it would only be able to do that if it received a recall request from the sending bank. It did not receive any such request until August 2024. By that time, however, there were insufficient funds in the account to which the money had been sent. Wise said there was nothing further it could do.

Mr S referred the matter to this service, where one of our investigators considered the case. She did not recommend that the complaint be upheld. She thought that Wise had fulfilled its obligations to Mr S, but that there was nothing more it could do to help him recover the money.

Mr S did not accept the investigator's assessment and asked that an ombudsman review the case.

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.

Having done so, however, I have reached the same overall conclusion as the investigator did, and for similar reasons.

I think it is worth noting that the initial error in the account number was not the fault of Wise. It seems likely that Mr S's client or that their bank inputted it incorrectly.

Where transfers are made between UK banks, the sender will generally now receive confirmation of the name of the account holder before they confirm a transfer. That is, however, a fairly recent development and does not apply to international transfers such as this one. Account providers therefore still rely primarily on the account number, and it is incumbent on customers sending funds to check the details of the account to which they are making payments. For that reason, Wise was entitled to apply the funds to the account number it had been given. It was under no obligation to make further enquiries into the payment to ensure, for example, that account number matched the name of the intended recipient.

Where an invalid account number is provided, the payment will usually be returned. In this case, however, the account number was valid (that is, it matched a real Wise account), and so the payment was credited to that account. Wise initially said it could not trace the payment. I do not find that surprising. It would only have been able to do so once it had details of the payment – including information about the account to which it had actually been credited. It would not have been able to trace the payment by reference to Mr S's account.

The payment was credited to another customer of Wise. But Wise could not simply take money from that account, even if Mr S provided credible evidence that the payment had been misdirected because of an error on the part of the sender. Neither could it provide Mr S with information about the recipient, since it owes all its customers a duty of confidentiality. Funds could only be recovered if a recall request was made by the sending institution.

There is no record of any recall request being made of Wise until August 2024. By that time, there were no funds left to recover. That is unfortunate, but it is not the fault of Wise. It is not clear why the sender did not initiate the recall process sooner than it did.

I note that a second, smaller, payment was made at around the same time by the same client. Again, they used the wrong account number. In that case, however, a recall request was made much sooner and the funds were returned.

If, as appears to be the case, another customer has kept money intended for Mr S, that is unfair to him. It is also unfair if he has not been paid by his client for work he has carried out. But I must decide what I consider to be a fair and reasonable resolution of Mr S's complaint about Wise; that is not necessarily the same as a fair outcome of the wider issues.

In conclusion, therefore, I think that Wise has treated Mr S fairly.

My final decision

For these reasons, my final decision is that I do not uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2025.
Mike Ingram
Ombudsman