

The complaint

Mr P complains Wise Payments Limited cancelled a payment a third party made into his account.

What happened

Mr P explained a client arranged a transfer into his Wise account in early February 2025. Mr P said Wise contacted him the same day stating it had cancelled the transfer as it violated its terms of service as the payment was related to cannabis.

Mr P said the payment wasn't related to cannabis and was for consultancy work he had undertaken for the business. Mr P explained the client had a business name which included CBD, a product associated with a cannabis.

Mr P said Wise held the funds for several days after it had cancelled the transfer before sending the funds back to the client. Mr P also claimed Wise deducted fees from the transfer back to his client.

Mr P explained he couldn't pay his rent because of Wise cancelling this transfer and he incurred \$100 worth of extra charges because he had to use another method to obtain the funds. He also wants compensation for the distress and inconvenience this caused him.

Wise sent Mr P a final response letter regarding this complaint. Wise said it had investigated Mr P's complaint and didn't agree it had made any mistakes. It explained it could check payments as per the Customer Agreement Mr P agreed to when opening his account and provided these terms in its response. It explained these checks can unfortunately cause some delays, but it was complying with regulatory obligations.

Wise explained it decided to cancel the transfer into Mr P's account because it went against its acceptable use policy.

Wise provided a copy of an email it sent Mr P the day it cancelled the transfer, this said the transfer *'goes against our Acceptable Use Policy'* as the payment was *'related to Cannabis'*. Wise also provided details of this policy in its final response which highlighted it wouldn't accept payments related to cannabis.

Wise said the payment was cancelled on 7 February 2025 and the funds were returned to the payee on 10 February 2025.

Our investigator didn't think Wise needed to take any action. They explained they were satisfied the evidence showed Wise had decided to cancel the payment because it breached its terms and conditions. They thought Wise had carried out further checks which showed the payment was from a company it said was *'involved in semi-legal or decriminalised drug-related activities'*.

In response, Mr P said he had received payments previously from this payee, without issue. He also recently said this payment eventually went through to his personal account from the same payee.

As Mr P rejected our investigator's recommendation, his complaint has been passed to me to make a final decision.

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 appreciate how strongly Mr P feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

I can see Mr P has raised a series of issues with Wise. This final response is only regarding the issues outlined above.

I note Mr P has made comments regarding our service holding Wise to account and '*revoking their license*'. I think it may therefore assist if I first explain the limitations of our powers. Our service isn't a regulator, it is an alternative dispute resolution service which seeks to resolve disputes between financial businesses and consumers informally. The regulator is the Financial Conduct Authority (FCA).

We accept business can set their own terms and conditions based on a variety of factors, which include the individual businesses appetite for risk. We do not have the power to ask business to change such terms and conditions and focus on whether the customer has been treated fairly and reasonably, considering all the circumstances.

Moving on to the issues at hand, I'm mindful business are under a duty to prevent and detect crime and criminal activities. Whilst I am not suggesting the company paying Mr P was involved in any such activities, sales, production and distribution of cannabis related products remains subject to a wide variety of licensing and regulations around the globe.

Whilst I appreciate Mr P has explained the funds were for consultancy work, and I have no reason to doubt this, the evidence I have seen shows the funds were likely paid by a company working within the cannabis product related industry.

The decision whether to accept payments or enter into business relationships with companies related to the cannabis industry is, I am satisfied, a commercial decision Wise are entitled to make. The terms and conditions, which both parties had access to when Mr P opened his account, clearly state Wise will not '*support businesses or transactions*' related to '*regulated or illegal products or services ... containing CBD*' or '*any other product related to the legal marijuana trade.*'

Mr P has recently said he has received payments before and since making this complaint. Again, this may indeed be the case, but I think it likely any such payments from the same company may breach the terms and conditions Mr P agreed to. I would also not rule out further payments being cancelled and returned in the future.

Businesses usually don't manually check all transactions. Decisions on which transactions to check are often automated, based on the business own risk factors and processes. It is therefore possible for this situation to occur where one payment is stopped but others succeed.

I therefore don't think, considering these terms and conditions, it was unreasonable or unfair of Wise to have returned it. I can see Wise explained why it had done so quickly and the terms and conditions appear clear. I am therefore not persuaded Wise has acted unfairly or unreasonably here.

I do appreciate the points Mr P has made regarding why the funds were paid to him, but the terms and conditions do not differentiate between what the funds are for. The terms and

conditions simply state Wise doesn't support either businesses or transactions from this sector, this would suggest it would likely reject payments regardless of what the payment is for.

I understand Mr P has complained about the length of time it took for Wise to refund the payment to his client and fees charged to his client. As our investigator explained, the evidence suggests this happened in line with the terms and conditions. I am also mindful, having accepted Wise did nothing wrong in refusing these funds, the issue regarding the refund would be a matter for the payer to raise as a complaint, should they wish.

I also note Mr P has claimed he suffered a financial loss because of this transaction. Whilst I am sorry to hear this, as I have not found Wise made a mistake when it returned the transfer I cannot consider financial loss in these circumstances further.

I appreciate Mr P will likely be disappointed with my decision, but I trust I have explained in sufficient detail why I can't uphold this complaint.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 December 2025.

Gareth Jones
Ombudsman