

## **The complaint**

Mr K is unhappy about Wise Payments Limited trading as Wise.

A technical issue led to some Wise accounts, including Mr K's, showing an inflated balance. This meant it looked like there was more money in the account than there should have been. Mr K transferred the funds out of his account so once the technical issue was resolved it left the account in a negative balance.

Wise want to recover the amount that showed in Mr K's account by mistake and was transferred out and Mr K is unhappy about this. Mr K says this has caused him financial impacts such as missing direct debits, having an insurance policy cancelled as well as distress and inconvenience.

## **What happened**

Mr K had a little over £300 in his Wise account leading up to the inflated balance error. Then on 7 July 2025 about £9,000 was paid into Mr K's account.

On the same day, a technical error occurred while technicians were updating parts of Wise's system. This specifically affected accounts that had received incoming payments. The error resulted in the incoming payment being doubled on the available balance.

Subsequently, two card transactions and seven outgoing transfers to various accounts were made by Mr K throughout the day amounting to over £18,000. Wise resolved the issue, and Mr K's account showed the correct balance by 8 July 2025. This meant Mr K's account then had a negative balance as he had transferred out all funds including the money showing on the balance in error.

Mr K contacted Wise to query the negative balance and Wise explained a technical issue had occurred which temporarily showed inflated balances. Wise said this meant Mr K had been able to withdraw more money than was available. And it said Mr K would need to return the negative amount and the account would be restricted until this was resolved.

Mr K said this was Wise's fault and he had relied on the balance shown at the time of making the withdrawals. Mr K said he didn't accept liability for the consequences of Wise's error. Mr K went on to say he will hold Wise responsible for any resulting damages such as missed payments or late charges. And he wanted his account usage to be restored.

Wise maintained its position and Mr K made a complaint.

Wise didn't uphold Mr K's complaint. Wise said its terms of use required Mr K to contact its customer support team about any discrepancies. And it said the terms state any funds received or withdrawn in error must be returned.

Mr K remained unhappy and referred the complaint to our service. Our investigator didn't uphold the complaint. He said Wise had acted in line with its terms and he said it was reasonable for Wise to deem Mr K liable to repay the negative balance.

Mr K didn't agree with our investigator's view. Mr K said Wise admitted it displayed an inflated balance and if Wise's system hadn't failed, he would not have made the withdrawal. Mr K said the balance looked consistent with his recent deposit and he had no reason to suspect an error.

So, Mr K asked for his complaint to be passed to an ombudsman for 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.

Having done so I've decided not to uphold this complaint. I'll explain why.

I may not mention or respond to every point raised by the parties in my decision, it's not because I failed to take them on board and think about them, but because I don't think I need to comment on those points to reach what I think is a fair and reasonable outcome.

Mr K has said Wise should be liable for its negligence and he relied in good faith on the balance shown in his account. I understand Mr K's position on this, but I don't think Wise have acted unfairly or unreasonably in seeking the negative balance be returned by Mr K.

Though I understand Mr K's rationale, which I comprehend as being - Wise made an error and so it should be responsible for the consequences of that error. I don't think that's fair and reasonable in the circumstances of this complaint.

I think it's fair to say Wise made an error which led to Mr K's balance showing as higher than it should have been. But I don't think that goes on to make it fair for Mr K to withdraw it and not return the funds that were incorrectly showing on the account. And I don't think it's reasonable for Wise to be responsible for the consequence of Mr K's withdrawal of the incorrectly available funds.

I appreciate Mr K said the balance looked consistent with his recent deposit. I must also note the balance showed double the recent deposit. This meant the account displayed a balance of over £18,000 when it should have shown a balance of around £9,000.

Wise have provided evidence to show Mr K accessed his account several times prior to 7 July 2025 while the balance was about £300. The evidence shows no other payments were received between Mr K accessing his account from 3 July 2025 onwards until the payment of about £9,000 on 7 July 2025. And no other payments in were received on 7 July 2025.

Based on this Wise said Mr K would have had a clear indication of what his balance was and so what it should be. I think it's fair to say this is likely a reasonable inference for Wise to have made.

On the balance of probabilities, I think it's reasonable for Wise to consider Mr K ought reasonably to have known what the account balance was prior to 7 July 2025 and what it should have been after the payment of about £9,000 was received. So, I think it's fair for Wise to consider that Mr K ought to have reasoned the additional amount, which precisely matched the only other payment in that day, was a discrepancy or error of some kind.

Wise have highlighted section 12.13 of its terms of use which says the account holder *"should check and confirm the receipt of incoming funds in your Wise Account regularly and let us know if there are any irregularities or discrepancies."*

In line with its terms I think it was reasonable for Wise to consider Mr K ought to have noted the inflated balance was a discrepancy, particularly given it was inflated by exactly double the amount of the incoming payment. And so, I think it was fair for Wise to consider Mr K should have reported a discrepancy rather than withdrawn the funds from the account.

Mr K has said he acknowledges Wise's terms of use in relation to repayment obligations. But he referenced the Consumer Rights Act 2015 (CRA) and said this means terms must be fair and so Wise can't deny liability for its error.

I'm not aware of any part of the CRA which says consumers can keep funds or overpayments which they're not entitled to. And I don't think Wise have unfairly applied its terms in relation to this complaint.

I think it's reasonable to consider where an error has occurred which led to someone receiving funds they weren't entitled to, that a business does have a right to recover those funds. I think it's also well established in law that consumers are not allowed to retain an account credited by a bank's accident. And we don't penalise businesses for making a mistake by requiring them to maintain the position created by the error.

So, I'm satisfied the terms of use for Mr K's account entitle Wise to seek to recover the amount that was incorrectly showing on Mr K's balance which he transferred out of the account.

Section 10.4 of the terms of use says:

***"We can make deductions for amounts you owe us. You agree that we are authorised to deduct our fees, any applicable Reversal amounts, or any amounts you owe us from your Wise Account, including a negative Main Account balance in any currency and funds held in a Jar or Group. If you do not have sufficient funds in your Wise Account to cover these amounts, we may refuse to execute pending or future transactions or provide any Services to you and may deduct funds sent to us for Services in the future."***

I think this section clearly explains Wise can deduct an amount its owed from Mr K's account. I think it's reasonable to say this would include the amount that showed incorrectly. And I think these terms explain Wise can restrict the account until the funds are returned.

So, in line with the terms I think it was reasonable for Wise to deduct the amount its owed from the balance and restrict use of the account until the amount was returned.

Section 15.8 of the terms relates to negative balances and says account holders promise ***"to repay Wise if your Wise Account balance is negative, including because of a chargeback, Reversal, deduction of fees, any other error, or any other action."***

I think this section clearly explains Wise should be repaid if the account goes into a negative balance because of any error. And I'm satisfied this reflects what happened in this case.

Ultimately, though I understand Wise made an error which caused Mr K's balance to be inflated. I don't think that means Wise have done something wrong or acted unfairly in seeking to recover the amount the account was incorrectly inflated by.

And so, I don't hold Wise responsible for any of the financial or other impacts Mr K has referenced. I understand Mr K was aware of the negative balance at least by the day after the error occurred and Wise quickly informed him it sought to recover the amount. So, I think it's fair to say Mr K was reasonably put on notice that he'd need to make alternative

arrangements for any payments or direct debits that were due to leave the account.

I think Wise have acted reasonably in the circumstances of this complaint and so I won't require it to do anything further.

I'd expect Wise to work with Mr K to arrange an affordable repayment plan for the negative balance.

I understand Mr K's account has since been deactivated. My understanding is that matter isn't related to this complaint, and it happened after the final response relating to this complaint was issued. If Mr K wishes to, he will need to complain to Wise about this before our service is able to consider it.

### **My final decision**

I don't uphold this complaint.

I make no further award against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 January 2026.

Gordon Candlish  
**Ombudsman**