

The complaint

Mr W, a director of O Ltd, complains on its behalf that Wise Payments Limited, trading as Wise, has frequently suspended their transactions because they were using a VPN.

What happened

Mr W said that for over two years he has used the Wise app for payments in respect of O Ltd. He said that a few months ago the app stopped working properly in many instances and it is starting to have an impact on his state of mind and his business.

Mr W said he can't see the balances on the app unless he clicks on each account. He said this isn't a significant problem, whereas Wise's insistence that he turn off his mobile device and laptop security if he wants to make a transfer is a great concern. He said this only happened in recent months and in most cases transactions still don't go through.

Mr W said he hasn't received a satisfactory response from Wise about this issue, and he needs Wise to fix their mobile and laptop app so he can use it for transactions without turning off his VPN. Mr W complained to Wise.

Wise responded to say it uses security systems to protect its users and its platform. One part of this system involves detecting VPNs or anonymising proxies, especially when associated with locations where Wise is not permitted to operate. Wise said the reason why the system sometimes allows access is that VPN providers often change the IP addresses they use, and Wise's system may not instantly recognise every new IP address used by VPNs.

Wise said when its system detects a customer accessing Wise from a restricted location (which can happen when using a VPN), it automatically limits card payments or transfers. Wise said this is in line with the Customer Agreement, Section 8.2(c): '*You must not misuse our systems by using anonymizing proxies*'. Section 8.3(l): '*You must not access Wise services from countries where we are not permitted to operate*'. As shown in its Help Centre.

To help resolve this issue, Wise asked Mr W to send a valid proof of address. It said once verified, it expected Mr W's access to stabilise, and the issue less likely to occur. Wise said as a gesture of goodwill it would provide two payments free of charge, each up to £1,000.

Mr W described Wise's offer as 'insulting' as he had spent months worrying, with days when he couldn't conduct his business. He didn't know the cost but said it has been a significant drain on his emotions and mental health. In August 2025 Mr W verified his address, but he remained unhappy with Wise's treatment of O Ltd and referred its complaint to our service. Our investigator didn't recommend the complaint be upheld. She said Wise should have communicated better with O Ltd, but Mr W chose to use VPN to access Wise's services, and she hadn't seen enough to justify asking Wise to pay compensation. She said Wise had verified Mr W's address and tried to resolve the VPN issue. The investigator said Wise offered two fee-free transfers, which she thought was a fair response to the complaint.

Mr W was unhappy with this outcome and requested an ombudsman review the complaint. He said he had clearly stated that regardless of whether or not he was using a VPN, Wise's

app and desktop platform prevented him from completing transactions. He said it's incredible that a bank thinks that VPNs should be switched off in order to complete online transactions.

The investigator passed on Mr W's video to Wise in which he said a purchase was blocked with his VPN switched on. He said Wise is preventing him from doing business efficiently, if at all. Wise said the video shows Mr W connecting to a VPN and then sending a payment via its app. Wise said everything in the video is exactly as its system should work, with the transfer completed within one hour.

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 have pointed out to the parties that we are not technical experts, and we cannot tell businesses how to operate their systems. I say this because the complaint concerns the security system operated by Wise and the impact this has had on O Ltd's transactions.

Mr W said the main point of O Ltd's complaint was that for many weeks, Wise prevented him from accessing funds in the company's account, causing missed payments and incomplete business. Mr W said this happened as he was using a VPN on his device. He said the problems caused him a great deal of stress.

It is worth noting that as the complaint is brought on behalf of a business, not a natural person, I can only consider the financial loss and inconvenience that may have been caused to the business, not distress or any personal impact to Mr W. Having said this, I sympathise with Mr W for what he has gone through in relation to the difficulties O Ltd has faced.

I have considered the communications and records from the parties to see if there has been, and may still be, a failing in Wise's security system or its system operation that has prevented O Ltd's transactions from completing. I wrote to both parties for further information.

Mr W said that sometimes the app worked with the VPN on and also when it was turned off and that I hadn't mentioned this, even though he had provided evidence many months ago. Mr W thinks it is wrong for a business to disengage security in order to make an online payment.

The video Mr W shared with our service, and we shared with Wise, shows that the app worked correctly while the VPN was connected. I put this to Mr W who has confirmed that the service from Wise is now working as it should. I am pleased there is no current concern on Mr W's part since Wise verified his address. I have considered what happened to O Ltd previously to decide if its complaint should be upheld or not.

Mr W sent us a screenshot of a transaction blocked by Wise as, *'It looks like you are using a VPN'. Please disconnect VPN and re-login to use Wise'*. And a recording showing a pause in the connection. Wise said when its system detects a customer accessing Wise from a restricted location (which can happen when using a VPN), it automatically limits card payments or transfers. This may not relate to the location of Mr W when he attempted the transaction.

Wise said it complies with regulatory requirements and ensures its services are used safely and appropriately. I can see from the terms of the Customer Agreement that Wise has the authority to limit transfers in set circumstances. Wise said that Mr W chose to use a VPN to access its services and it acknowledged the impact this can have on transaction processing.

Wise said, *'If our services become less accessible due to VPN usage, this is beyond our control'*, and explained the variable nature of VPN impacts on transactions.

I haven't found that Wise said that VPNs are not allowed whilst using their accounts, as Mr W suggested, and I can see its reasons for the restrictions. Wise reserves the right to restrict services when VPN usage interferes with security protocols and accepts no liability for service limitations caused by the customer's own choice to use VPN.

I asked Mr W for evidence of the technical difficulties O Ltd has faced in order to consider compensation. He hasn't sent any further information and what we have lacks adequate context for awarding compensation, particularly given the limitations of the Customer Agreement set out above. Wise has said Mr W hasn't shown any evidence of losses to O Ltd from using its services.

Mr W said before he verified his address, he thought Wise was just being difficult because of where he was operating. Wise said there were no technical issues with O Ltd's account, and its systems operated as designed. Wise pointed out that it offered Mr W the solution of providing his address to mitigate future VPN-related issues on 13 June 2025, but it took him two months to respond with documentation.

I haven't found that Wise was being difficult in the provision of services to O Ltd and the service restrictions that O Ltd experienced apply to all Wise customers using a VPN, particularly when the connection originates from a potentially high-risk region.

Mr W concludes that he expects *'a significant increase in compensation to the insignificant £2000 that was offered to me before.'* I haven't found that Wise has acted in error to O Ltd and in any event as an informal dispute resolution service, we do not generally award compensation that crosses into the realm of damages. Since only a court can award damages, Mr W may wish to reject this decision so that it is of no effect and he can then take legal action against Wise.

Because I haven't seen any evidence that Wise was discriminating against O Ltd in its provision of services, or that it has acted outside of the terms of the Customer Agreement, I can't uphold this complaint. However, I agree with the investigator that Wise should have communicated with O Ltd more clearly and effectively so that Mr W was fully aware of the issues facing his transactions. And so, I think Wise's offer to O Ltd of, *'two free payments, each up to £1,000'* as a goodwill gesture would appear to be a fair resolution to O Ltd's complaint.

In summary, Wise has the support of the Customer Agreement and the security process it follows for the instances where its service was inaccessible due to Mr W's use of a VPN. In the end it appears that the simple action of verifying Mr W's address has resolved the problems O Ltd has faced in the past. I'm sure Mr W will tell Wise if any problems re-emerge, but in the meantime, I'm pleased this has been sorted out.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask O Ltd to accept or reject my decision before 6 January 2026.

Andrew Fraser

Ombudsman