

The complaint

Mr S complains that Wise Payments Limited, trading as Wise, unfairly closed his account and withheld access to his funds.

What happened

Earlier this year, Wise decided to terminate its relationship with Mr S. The firm withheld access to the balance that remained in Mr S's account – around €3,000. Wise says its actions were in accordance with relevant sanctions regulations. Mr S contacted the Office of Financial Sanctions Implementation (OFSI) and pointed to OFSI's communications as cause for his funds to be released to him. Wise hasn't agreed to do so.

Remaining unhappy, Mr S referred his complaint to this service. He wants his funds returned and the account reinstated. Mr S says he's found it difficult to pay for essential living costs and had to borrow from friends and family, causing him hardship and stress. He wants Wise to pay compensation because of this.

Our investigator issued their outcome, concluding that Wise had acted fairly. Mr S doesn't agree and asked for a final decision – so the complaint has been passed to me for a final review.

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.

Firms that operate in the UK (including Wise) are required to carry out specific actions to meet legal and regulatory obligations. This includes the requirement for firms to complete ongoing monitoring of existing business relationships. And that sometimes results in firms deciding to restrict or - in some instances - close customer accounts.

Wise has provided me with information to show why it reviewed Mr S's account. Having considered this, I'm satisfied the firm acted in line with its regulatory obligations.

Wise is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. I can see that Wise closed Mr S's account with immediate effect, which it is entitled to do under its terms. Based on the information I've seen, I'm satisfied that Wise acted fairly and in line with its terms and conditions when doing so.

I understand Mr S' concern, given he would like to know why Wise closed his account. But the firm is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from firms as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Wise has provided is information I consider should be kept confidential.

Understandably, Mr S's main concern is the release of his funds. Wise refers to The Russia (Sanctions) (EU Exit) Regulations 2019 as cause for withholding Mr S's funds. Mr S disputes that his account activity falls under one of the prohibitions set out in the regulations – putting forward that he isn't a designated person nor has a designated entity been involved with the funds that entered his account. He also points to OFSI's communications with him, suggesting that an OFSI licence isn't required, and that OFSI didn't think that a transfer of the funds would breach sanctions regulations.

I've kept in mind the communications with OFSI that Mr S has shared with us, and I can appreciate why he feels this should persuade me to instruct Wise to release his funds. I also note that OFSI pointed out to Mr S that it isn't the UK authority for trade sanctions, which OFSI suggests Wise's decision to withhold Mr S's funds is based on – referencing Chapter 6B of Part 5 of the regulations. Having considered this and Wise's reasons for withholding his funds, I'm persuaded that the firm is acting fairly.

Understandably, Mr S would like to know why Wise continues to withhold his funds so that he can present his own submissions to challenge Wise's position. But after considering the nature of the information Wise has provided, I've decided to accept it confidence, which is a power afforded to me under DISP 3.5.9 R. Therefore, I'm unable to share this detail with Mr S.

I empathise with Mr S as I know the withholding of his funds has caused him some difficulties. But I can only ask Wise to release his funds if I conclude that the firm is acting unfairly – which I don't think it is. So I won't be asking Wise to do anything further in relation to this complaint.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 December 2025.

Abdul Ali
Ombudsman