

The complaint

Ms L complains that Wise Payments Limited (trading as Wise) unfairly blocked her account and reduced her balance to zero, without providing a proper explanation which led to financial problems and caused her upset. Ms L is also unhappy about the service she received from Wise.

What happened

The events that took place are well known to both parties and aren't in dispute. So, I'll only describe them here briefly.

Ms L has a multi-currency account with Wise which she opened in May 2020. In June 2025, Wise reviewed Ms L's account to comply with its legal and regulatory obligations. Whilst it reviewed the account it placed a block on them. The type of block applied meant all transactions in and out of the account, including direct debits, were stopped. Wise also removed the account balance.

Following this, Wise were notified that a court restraint order had been taken out against Ms L that froze the funds held in Ms L's Wise account. Wise complied with the freezing order and continued to block Ms L's account and withhold the account balance pending the outcome of court proceedings.

Ms L discovered her account was blocked and her account balance showed zero when her employer let her know that her July 2025 salary payment had bounced back to them. Ms L complained to Wise. She said she was shocked that her account had been reduced to zero and thought her money had been stolen. In summary she said she wanted:

- Specific reasons for the initial freezing of her account.
- Justification for the abrupt blocking of her account without proper notice or explanation.

In response Wise said it hadn't done anything wrong in complying with the court order. It also said that it had reviewed Ms L's accounts to comply with its legal and regulatory obligations, so it hadn't done anything wrong when it had blocked Ms L's account. In its final response letter Wise gave Ms L details of who to contact regarding the court order.

Unhappy with this response, Ms L brought her complaint to our service where one of our investigators looked into what had happened.

The investigator accepted that the restrictions on Ms L's accounts caused her difficulty. But they said Wise hadn't done anything wrong when it had blocked Ms L's account and had done so in order to comply with its legal and regulatory obligations. And had correctly complied with the restraint order issued by the court against Ms L.

Wise agreed. Ms L didn't. In summary she said:

- Wise breached reasonable expectations of transparency and accountability by

- refusing to explain its actions and a prolonged lack of communication.
- These failures led to significant financial and emotional distress.
- Overall, Wise' actions were unjustified, and the lack of communication compounded the harm caused. And she wants compensation.

As no agreement could be reached the matter has come to me to decide.

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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Wise has treated Ms L fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Ms L's submissions.

As the investigator has already explained, Wise has extensive legal and regulatory responsibilities they must meet when providing account services to customers. These can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Having reviewed all the evidence I'm satisfied that Wise were acting in line with its legal and regulatory obligations when it restricted Ms L's account in June 2025. I understand not having access to her account caused Ms L inconvenience and upset, especially as at the time Wise also reduced Ms L's account to zero, and her salary bounced, which understandably would have alarmed Ms L. But it wouldn't be appropriate for me to award Ms L compensation for this since I don't believe Wise acted inappropriately in taking the actions that it did when it blocked Ms L's account and moved the money in the account.

Wise continued to block Ms L's account after it received a restraint order from the court. I acknowledge Ms L's comments that this continued block on her account caused Ms L anxiety and inconvenience. But Wise owed a duty to the court to ensure the restraint order wasn't breached. I should also explain that this service has no power to review or vary an order made by the courts. If Ms L feels the restraint order shouldn't have been made, then she needs to take that up with the police and court. I note that Wise provided Ms L details of how to go about this and who to contact in its final response letter. I can't anything more to this, it's up to Ms L to contact the court.

I should also add that our service is an informal alternative to courts. I can't make a finding as to whether the law has been broken, and I don't need to in order to

decide this complaint. I also want to make it clear that this service is not the regulator of financial businesses, and we don't police their internal processes or how they operate generally. That includes what it does to ensure it complies with its legal and regulatory obligations.

Having looked at the restraint order and reviewed all the evidence, including the evidence Wise has provided to this service in confidence, I'm satisfied that the decision for Wise to continue to block Ms L's accounts was a reasonable one. The terms of Ms L's account also allow Wise to block the account and sets out that Wise isn't obliged to provide Ms L with an explanation. I note too that the court order set out that Wise wasn't permitted to disclose any information to Ms L and would be put in jeopardy of contempt of court. So, I cannot conclude that Wise treated Ms L unfairly when it blocked her account prior to the court order, continued to block her account once it had received the restraint order. And didn't provide her with much information about what was happening with her account.

Ms L has said that Wise didn't keep her updated about what was happening with her account once it had started its review. And didn't let her know she was subject to an investigation until she made a complaint. I can see from looking at the evidence that Ms L did contact Wise on more than one occasion – seeking an explanation for why her account was blocked and that Wise told Ms L that it would update her when it could. But Wise didn't give her any meaningful information. I can appreciate that this would have been frustrating for Ms L. So, I'm satisfied that Wise's service fell short. But it doesn't follow that I must award Ms L compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Ms L's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Ms L has said and the content of Wise review, which includes the information Wise has provided to our service in confidence, I don't find awarding Ms L compensation would be fair or appropriate. I understand Ms L would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Ms L. And the description of that information is that it's of a nature which justifies Wise's review, and which has led me to decide that awarding Ms L compensation would not be a fair or appropriate outcome for any of the matters she has brought as part of this complaint.

So, I'm not requiring Wise to compensate Ms L for any trouble and upset she may have experienced because Wise blocked her account to carry out its review, and the further dissatisfaction she experienced which ultimately flowed from not having access to the funds in her account, including her unhappiness with Wise's communication and the information it didn't provide her.

In summary, I recognise how strongly Ms L feels about her complaint, so I realise she will be disappointed by my decision. But overall, based on the evidence I've seen I won't be telling Wise to do anything more to resolve Ms L's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 11 March 2026.

Sharon Kerrison
Ombudsman