complaint

Mr S complains that TransferWise closed his account and said he couldn't use their services in the future. Mr S would like the account reopened.

background

Mr S had a TransferWise account which he set up in June 2018. Following a review on 7 November 2018 Mr S's account was closed with immediate effect

Mr S says the account closure was prompted by him helping his uncle to set up an account. And using his card to put money in his uncle's account to show him how to use TransferWise.

Mr S was unhappy, and he complained to TransferWise.

TransferWise reviewed the situation and confirmed that they would close Mr S's account. The funds were returned to Mr S on 28 November.

TransferWise said they were entitled to review the account and close it in accordance with the terms and conditions.

Mr S complained to us. Our investigator said that TransferWise had acted fairly in closing his account in line with the terms and conditions.

Mr S disagreed he said he didn't think he had breached the terms of the account and he didn't think TransferWise were justified in closing his account.

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

my findings

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 reached the same conclusion as the investigator for broadly the same reasons.

I'll start by setting out some context for the review of Mr S's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account say that TransferWise could close the account with immediate effect in certain circumstances. Looking at the evidence provided by TransferWise I am satisfied they were following the terms and conditions to close the account with immediate effect. Whilst Mr S may've expected to be given the reasons for the closure, TransferWise isn't required to give him a specific reason for closing the account. So,

I can't say TransferWise has done anything wrong by not giving Mr S this information – as much as he'd like to know.

I am satisfied TransferWise completed the review of Mr S's account in a timely manner and returned the funds to him without undue delay.

I appreciate that TransferWise's decision to no longer offer Mr S its services in the future has caused him inconvenience. But TransferWise can make commercial decisions about who they offer services to. They cannot unfairly discriminate against a customer. But they can say they no longer wish to do business with individuals. That's because they've got the commercial freedom to decide who they want to contract with. And I'm satisfied that TransferWise has exercised its commercial decision legitimately when it decided it no longer wished to do business with Mr S. So I cannot fairly and reasonably say it's done anything wrong.

In summary, I recognise Mr S feels unhappy about the closure and that TransferWise isn't justified in closing the account and I'm sure that not finding a replacement service has been frustrating to him. I realise Mr S will be disappointed by my decision, but overall, based on the evidence I've seen, I can't say TransferWise has acted unreasonably and treated Mr S unfairly when it closed his account.

my final decision

For the reasons I have explained my final decision is I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 January 2020.

Esperanza Fuentes
ombudsman