

## **The complaint**

Mr R complains Wise Payments Limited (“Wise”) closed his account following a review. He also says Wise has registered adverse information against him affecting his ability to get accounts elsewhere.

Mr R would like Wise to re-open his account and remove any adverse information it’s registered against him.

## **What happened**

In March 2023, three payments transfers were sent from Mr R’s Wise account. Wise conducted a review and asked Mr R for information relating to the payments. Wise closed Mr R’s account shortly after.

Unhappy with Wises’ actions, Mr R complained. Wise didn’t uphold his complaint, and in summary said that that due to financial regulations its obligated to complete checks on payments. And that this is also in line with the terms and conditions of the account.

Mr R referred his complaint to this service. Mr R says he noticed he hadn’t made some of the transactions on his account. One of our Investigator’s looked into it and recommended that its not upheld. In summary, they said:

- Wise’s decision to deactivate Mr R’s account was in line with its obligations, and the agreement he accepted when opening it
- Wise is entitled to carry out a review and checks on payments Mr R made in line with its obligations and terms of account
- They’re unable to share Wise’s reasons for closing the account, but they’re satisfied it had enough grounds to do so
- Mr R mentioned transactions he didn’t recognise on his account before the account was closed, and that someone had access to his phone to open a food delivery account. But Mr R has no evidence of this, and says he was watching what this person was doing on his phone. So, he would have been aware of any activity taking place on his phone. And he didn’t report anything to Wise at the time
- Wise hasn’t reported any adverse information against Mr R

Mr R didn’t agree with what our Investigator said. He reiterated that he had done nothing wrong. And that Wise had registered or shared information which led to his other external bank account being closed, and for new account applications being declined.

Mr R then retrieved his credit and CIFAS report. Based on the latter report, he realised that it was his third-party bank who had registered an adverse fraud marker against him.

Mr R still wanted his Wise account reopened and his complaint looked at again. Because of this, Mr R’s complaint has now been passed 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.

Having done so, I've decided not to uphold Mr R's complaint. I know this will disappoint him, so I'll explain why.

Financial businesses in the UK, like Wise, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Wise needs to restrict, or in some cases go as far as closing, customers' accounts.

Wise carried out a review on Mr R's account. Having carefully considered its reasons for doing so, I'm satisfied it acted in line with its obligations and the terms of the account.

Wise is entitled to close or deactivate an account just as a customer may close an account with it. But before Wise 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, which Wise and Mr R had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Wise closed Mr R's account the day after it began its review. Wise has provided this service with an explanation and information to show why it decided to do this. Having considered this carefully, I'm satisfied Wise acted in line with its terms and conditions when doing so. I know Mr R would like an explanation, but I'm not aware of any obligation under which Wise must.

Mr R says he doesn't recognise the payments Wise asked him for information about. Mr R says he trusted a friend of a friend to access his phone at set up a food delivery service from it. He said he watched him whilst he had access which included his Wise app. It's not entirely clear if Mr R is saying this individual used his phone to carry out the transactions he didn't recognise. But if he is and given Mr R was with him and watching his activity, I find this unlikely. Nor has Mr R provided enough or plausible information to support this.

Mr R thinks that his inability to get another account and his bank account being closed is because of Wise registering and sharing adverse information against him. Wise say it hasn't registered any such information. Mr R has subsequently discovered that adverse information has been applied against him by his third-party bank and not Wise. So I don't need to consider this point further.

Mr R wants his account re-opened with Wise. But given I don't think it did anything wrong, I won't be directing Wise to do so. For the same reasons, I won't be making an award of compensation for any distress and inconvenience Mr R may have suffered.

## **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 January 2024.

Ketan Nagla  
**Ombudsman**