

CFPB Orders Wise to Pay \$2.5 Million for Illegal Remittance Practices

The company misled customers about fees and charges and failed to provide consumer disclosures

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Washington, D.C. – The Consumer Financial Protection Bureau (CFPB) today ordered the international remittance company Wise to pay nearly \$2.5 million for a series of illegal actions, including advertising inaccurate fees and failing to properly disclose exchange rates and other costs. Wise allows customers to send, receive, and store remittances through a mobile app and prepaid accounts and debit cards. The CFPB found the company misled customers in the United States about its ATM fees and failed to properly disclose other fees. When people sent money that did not arrive on time, Wise failed to refund the remittance fees in the timeframe required by law. Overall, the company's actions led to hundreds of thousands of dollars in harm to consumers. The CFPB is ordering Wise to pay approximately \$450,000 in redress to harmed consumers and to pay a \$2.025 million civil money penalty.

"By deceiving customers, Wise gave itself an unfair advantage over other competitors in the remittances market," said CFPB Director Rohit Chopra. "New technology can help make money transfers cheaper and more convenient, but companies must be truthful and live up to longstanding law."

Wise PLC (LON: WISE) is a publicly traded global electronic money services provider. It is headquartered in the United Kingdom, and does business in the United States through Wise US, a wholly owned subsidiary. Wise US is a nonbank remittance transfer provider headquartered in New York and incorporated in Delaware. Wise US offers and provides consumers international money transfer services, known as remittance transfers, in 48 states, the District of Columbia, Guam, the U.S. Virgin Islands, and Puerto Rico. Wise US has more than three million customers in the U.S.

Wise does not have any physical storefronts in the U.S., and instead relies on a mobile app, along with its prepaid and debit cards. Wise offers U.S. consumers two products: Send Money (remittance transfers through its mobile app) and the Wise Account (a prepaid account product). Wise maintains U.S. bank accounts, which allows it to process transfers for U.S. customers by transferring funds from the United States to foreign countries and vice versa. Wise also facilitates transfers by U.S. customers that occur entirely outside of the United States. On the prepaid card, customers can store and send money in multiple

currencies. A third product, a debit card, allows customers to spend money stored on the prepaid account.

The CFPB found that Wise violated the Consumer Financial Protection Act of 2010 by advertising inaccurate ATM fees and charges to U.S. customers. The CFPB also found that Wise violated the Electronic Fund Transfer Act in a variety of ways, such as failing to properly disclose exchange rates and failing to refund fees when funds were not available to the recipient on time. Specifically, the company harmed consumers by:

- **Sending false advertisements:** Wise sent multiple emails and blogs to its customers around the globe announcing lower ATM fees, free withdrawals, and other customer perks. Wise led customers in the U.S. to believe these perks applied to them, when they, in fact, did not. For instance, Wise said 80% of customers would pay lower ATM fees, however, few, if any, of those customers were U.S.-based. Likewise, U.S.-based customers were led to believe they would receive two free withdrawals of slightly more than \$200 each. In reality, they only received two free withdrawals up to \$100 each.
- **Failing to appropriately disclose fees and other costs:** Wise made a multitude of disclosure errors. These included failing to disclose accurate fees to consumers who funded prepaid accounts using a credit card through Apple Pay or Google Pay, failing to properly disclose exchange rates, failing to refund fees when funds were not available to the recipient by the date of availability, and failing to make other required disclosures.

Enforcement Action

Under the Consumer Financial Protection Act, the CFPB has the authority to take action against institutions violating consumer financial protection laws, including by engaging in unfair, deceptive, or abusive acts or practices. The CFPB also has the authority to enforce the Electronic Fund Transfer Act and its implementing Regulation E, including the Prepaid Rule and the Remittance Transfer Rule. The CFPB's order requires Wise to:

- **Pay approximately \$450,000 to harmed consumers:** The practices used by Wise resulted in thousands of customers losing money. For example, the company's prepaid card violations resulted in at least 16,000 consumers being overcharged.
- **Pay a \$2.025 million fine:** The company will pay a \$2.025 million penalty to the [CFPB's victims relief fund](https://cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/) (cfpb.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/).

[Read today's order.](https://cfpb.gov/enforcement/actions/wise-us-inc/) (cfpb.gov/enforcement/actions/wise-us-inc/)

[Read more about remittance transfers.](https://cfpb.gov/askcfpb/1161) (cfpb.gov/askcfpb/1161)

Consumers can submit complaints about financial products and services by visiting the [CFPB's website](https://cfpb.gov/complaint/) (cfpb.gov/complaint/) or by calling [\(855\) 411-CFPB \(2372\)](tel:855411CFPB).

Employees who believe their company has violated federal consumer financial protection laws are encouraged to send information about what they know to

whistleblower@cfpb.gov. To learn more about reporting potential industry misconduct, visit the [CFPB's website \(cfpb.gov/enforcement/information-industry-whistleblowers/\)](http://cfpb.gov/enforcement/information-industry-whistleblowers/)

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. For more information, visit www.consumerfinance.gov (<http://www.consumerfinance.gov/>).

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