

The complaint

Mr S complains that Wise Payments Limited, has not met its obligations in regard to payments for advertising.

What happened

In March 2023 Mr S, a director of a limited company which I'll call 'B', asked Wise Payments Limited to dispute numerous payments made to a company I'll call 'G' regarding issues surrounding advertising services G was providing to B. These payments were made on B's debit card account.

Wise raised approximately 49 chargebacks in relation to these payments. One of which led to the payment being refunded whilst the remaining chargebacks were defended by G. Wise concluded that the Chargebacks didn't have a reasonable prospect of success so it didn't pursue them. And it didn't raise chargebacks on the other disputes B raised with it, either because it felt those disputes were outside the time limits or it used its discretion not to raise chargebacks. So all but one transaction dispute were unsuccessful and so Mr S on behalf of B brought its complaint to this service.

Our Investigators considered that Wise had treated B fairly. However Mr S didn't agree so this decision came 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.

Chargeback is a straightforward dispute resolution process run by the relevant card network (not Wise) to enable card issuers to challenge individual transactions on behalf of its cardholders. It allows for disputes to be raised with merchants and those merchants to either accept the dispute or provide its evidence on the matter in response to the card issuer. If an amicable conclusion cannot be reached ultimately it's the card network itself which decides the outcome of the dispute. So it's possible for a card issuer to take the chargeback throughout the whole process and still not be successful having done everything correctly and fairly.

In this case I cannot emphasise enough the straightforward and limited nature of the chargeback schemes available through card networks. This process is designed to allow individual transactions to be challenged through a simple process. It is not designed to deal with long running complicated contractual disputes such as B's dispute is here with G. It is clear that the vast majority of B's submitted arguments here are about what G has done and how G has treated B. But the only issue I can consider here is whether Wise treated B fairly. Mr S' complaint is in essence Wise hasn't done enough to support him in his dispute with G. But Wise's obligations here are solely regarding to considering chargeback fairly.

G in this case is not a provider of regulated services that I can consider-it is outside of my remit in this case. Wise's responsibility here is simply to consider B's debit card transactions

and use its judgement as to whether to raise a chargeback or not and if it does so to pursue it fairly until either it decides it no longer has a reasonable prospect of success or that ultimately the card network makes a final determination on the matter. Wise is not obligated to do any more than that with regard to such debit card transactions. It seems to me that Mr S wants Wise to support B in its dispute with G over and above what its obligations actually are with regard to chargeback but it simply only has to consider such transactions on their merits.

I should add that Chargebacks are limited to each individual transaction challenged and what that individual transaction paid for. Chargeback is also limited to the amount of the transaction itself; it cannot recover more money than the individual transaction amount. It also cannot provide remedy for associated losses such as losses outside of that individual transaction such as consequential losses or losses stemming from unrelated issues. So it is clear to me that chargeback processes generally are not well suited for B's aims in this matter.

Wise raised a number of chargebacks which were defended by G and Wise summarised the reasons to B. In essence G said that the service was used and so charged for and that it was B who was in control of the advertising and account activity. G noted it had been transparent in its suspension process which is automated and had quickly been rectified and some issues were identified perhaps due to the complexity of B's accounts. B complained that G has an abusive monopolist strategy, it had violated its own policy, it had suspended B's business in its best sales month without genuine reason and B lost sales as a result. Wise decided that there wasn't enough documented evidence that G didn't perform the services as promised. It noted that G billed for past service so wasn't an 'ongoing service' under the network's rules.

There is no obligation for a card issuer such as Wise to raise a chargeback when a customer asks for one. But I would consider it good practice for a chargeback to be attempted where the circumstances allow it and there is a reasonable prospect of success. There are also time limits within the rules around whether this should and can happen.

Mr S says G has acted broadly and unfairly and in essence used its size and resources to treat B unfairly. Whether or not this argument has merit, the voluntary chargeback process is simply not designed for making findings on such allegations. Similarly Wise has no obligation here to align alongside Mr S and B in their dispute with G. It simply has to consider each disputed transaction on its merits.

Wise raised numerous chargebacks (and save for one instance) broadly received similar responses from G in that it had acted fairly and within the terms and conditions agreed with B. Wise is entitled to rely on the responses from Merchants such as G as long as it does so fairly. Here I'm not persuaded that Wise had persuasive evidence from B to demonstrate that the responses of G were unreliable. Accordingly it could fairly rely on the defences from G. This it did and decided not to take the matters further because it didn't think B's position had a reasonable prospect of success in any of those chargebacks.

I've considered the chargeback defences from G and all of Mr S' comments on behalf of B. I'm not persuaded that B would have been ultimately successful in any of these individual chargebacks considering the evidence available in the event of Wise taking any or all of these chargebacks to arbitration. Accordingly I'm not persuaded that B has lost out as a result. And furthermore as I've described chargeback is a voluntary scheme and Wise is entitled to not raise chargebacks where it decides that that dispute doesn't have a reasonable prospect of success. Here Wise had the benefit of the experience of many similar disputes being raised by B and the similar defences from G. Considering the matters at hand and the nature of B's overall position and the nature of the chargeback processes,

I'm not persuaded B has lost out by Wise deciding that it wouldn't continue to raise essentially similar disputes with G.

I note that the Investigator also pointed to some further persuasive arguments in their assessment of July this year which I shall paraphrase for convenience. But before I do so I note that Mr S on behalf of B in his response to these arguments made very little argument on the matter and none that I consider persuasive. I've indented these paraphrased arguments for clarity.

The Investigator referred to G's advertising programme terms that B sent to our service which likely apply and which notes that the "*customer is solely responsible for its use of the programmes.*" She pointed to G's policies which notes that G "*requires that advertisers comply with all applicable laws and regulations and the (G) policies described.*" There is an appeal process for suspension decisions and a process where a refund of unused account credit can be applied for although not a refund of amounts paid for services received. Section 8 makes clear the sole remedy for disputes re advertising is through its internal claims process. And in Section 10 it says neither party shall be liable under or in connection with these Terms for any loss of profit or loss of anticipated savings or loss of business opportunity. So I think that had Wise continued with the chargebacks G would have continued to defend its position and network would have found in G's favour at arbitration.

These arguments are further and extra strong reasons to why I don't think continuing with the chargeback process would have made any difference here. And as I've said I notice that B hasn't challenged them with persuasive or significant arguments when it had opportunity to do so after the Investigator's assessment. On balance I see no persuasive reason to consider that B would have been successful in any of these chargebacks.

I've also considered the time limits issues here in the network rules. Firstly I should add that these time limits are set by the network and not Wise so Wise isn't responsible for them. Secondly I'm not persuaded Wise has acted unfairly in regard to these time limits. But in any event I'm not persuaded B has lost out because even if such chargebacks on these issues had been raised in time I'm not persuaded they would have been successful.

Clearly B has a long running dispute with G which covers issues outside of what Wise could be responsible for regarding chargeback. If B wishes to continue its dispute with G it should take independent legal advice on the matter. But Wise is only responsible for considering the chargebacks here and not for the many broader issues B raises about G.

Having considered all of B's arguments and evidence provided and for the reasons given I'm not persuaded B has lost out because of how Wise treated it. I think it treated B fairly by raising chargebacks and I don't think it has lost out due to what Wise did. Accordingly Mr S's complaint fails. I appreciate that this isn't the decision Mr S wishes to read. However I don't think he's lost out because of what Wise did. And here I can only decide on how Wise acted and I'm persuaded it acted fairly.

My final decision

I do not uphold this complaint against Wise Payments Limited. It has nothing further to do in this matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 18 November 2024.

Rod Glyn-Thomas
Ombudsman