

The complaint

Mr I complains that Wise Payments Limited will not refund two payments he made to a merchant, which I'll refer to as "O", even though he returned the items purchased.

What happened

In March 2024 Mr I made two payments to O for goods which he bought online. The payments were made with Mr I's debit card, issued by Wise, an international money transfer platform.

In April 2024 Mr I contacted Wise to say that he had returned the goods in respect of both orders, but that he had not received the refunds he was entitled to.

Wise raised a dispute with O, but it said that the goods had not been returned. Wise therefore declined Mr I's request for a refund.

Mr I referred the matter to this service. In doing so, he provided evidence that he had returned two parcels to O in March 2024. That evidence included messages saying the parcels had been received by O and that refunds would be processed.

Our investigator considered all the information available and initially recommended that the payments be refunded by Wise. Mr I accepted the investigator's recommendation (subject only to the correction of an arithmetical error), but Wise did not. It noted that O had said the goods had not been returned.

The investigator reconsidered the matter and indicated that he had changed his view of how the complaint should be resolved. He issued a second assessment, this time not recommending that it be upheld. Mr I did not accept the investigator's revised view and asked that an ombudsman review the case.

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.

In dealing with complaints, the Financial Ombudsman Service is not bound by the same rules of evidence as a court would be. In particular in the context of this complaint, we can accept evidence in confidence where we consider it appropriate or necessary to do so. Wise has asked that some of its evidence not be disclosed to Mr I, and in the circumstances I believe that is a reasonable request.

Where goods or services are paid for with a debit or credit card and a dispute arises, it is often possible to resolve that dispute through the chargeback process. Chargeback is a scheme run by the card schemes (Mastercard or Visa). A card issuer (here, Wise) raises a claim through the scheme against the merchant's provider of card facilities. That provider will then consider whether the claim meets the relevant criteria for chargeback (if necessary,

seeking evidence from the merchant) before responding to the claim. Where necessary, the scheme provides for arbitration between the financial businesses.

Chargeback is primarily a scheme for resolving disputes about payment settlements – including, for example, where a refund has been agreed but has not been made. That is what Mr I says happened here, and the messages generated when he sent two parcels to O include confirmation that refunds will be processed.

Those messages appear however to have been generated automatically at various points in the parcels' journeys. There was no confirmation from O that the goods themselves had been received. That was the basis on which O's terms and conditions provided for a refund, and also the basis on which the messages were generated. They were not generated as a result of any inspection of the parcels' contents. In the circumstances, I don't believe I can fairly conclude that the goods themselves were returned to O. It follows that I cannot fairly conclude either that Wise should make the refunds which Mr I has claimed.

My final decision

For these reasons, my final decision is that I do not uphold Mr I's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 28 April 2025.

Mike Ingram
Ombudsman