

The complaint

Mr A, a sole trader, complains about the way a payment into his account with Wise Payments Limited (Wise) was processed.

What happened

Mr A had a business account with Wise. On 15 August 2024 he added funds to his Wise account using a credit card from another company. He initiated this payment from within his Wise account. He later discovered he'd been charged for the payment by his credit card company which had classified the transaction as a cash withdrawal.

Mr A thought this was unfair and so he complained to Wise. Wise didn't uphold Mr A's complaint, noting that it hadn't charged Mr A any fees. It explained that payments are assigned a Merchant Category Code (MCC) to help financial institutions categorise the kind of payment being processed. It said Wise used codes 4829 or 6012 and that it had used the correct MCC, 4829, for this particular transaction. It said Mr A's credit card company had decided to charge for his transfer given the MCC that had been used. Wise said it couldn't anticipate charges other banks might choose to apply and so it wasn't able to notify him of this at the point he made the transaction.

Mr A remained unhappy and brought his complaint to our Service. Our Investigator looked into things but didn't uphold the complaint as they felt Wise hadn't been responsible for the charge and has used the correct MCC.

Mr A didn't agree and asked for an Ombudsman to reconsider his complaint. He said that the MCC Wise had used was incorrect and was for funds or cash transfers.

The complaint was then 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'm not upholding this complaint.

I think it's important to explain that businesses cannot use any MCC they wish – they must follow the relevant card scheme rules. These state that businesses should use MCCs that most reasonably and fairly describe their primary business.

Wise uses one of two MCCs which are considered to best match its primary business, 4829 and 6012.

The relevant card scheme rules indicate MCC 4829 is:

'A transaction in which funds are delivered or made available to a person or to an account. These transactions included non-face-to-face transactions such as those facilitated through the Internet.'

Any fee charged and included in the total transaction amount must be clearly disclosed to

the cardholder before completing the transaction.'

The scheme rules indicate MCC 6012:

'Identifies the purchase of merchandise or services at a [scheme] customer financial institution location. Such merchandise and services may include checks and other financial products, promotional merchandise, loan fees, and financial counselling service fees.'

Having read the relevant descriptions for these specific codes, I am not persuaded that MCC 4829 was an unfair code for Wise to have used for this particular transaction. Mr A was adding funds to his Wise account via the internet so what he was doing seems to match the description of the MCC 4829 which was what was used here. I am also not persuaded 6012 was more appropriate MCC given Mr A was not purchasing merchandise or services from Wise.

I am also satisfied that Wise isn't responsible for the charges Mr A incurred from this transaction and therefore couldn't have disclosed this to him at the point he made the payment.

So, overall I'm not persuaded Wise has acted unfairly here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 June 2025.

Jade Cunningham
Ombudsman