

The complaint

Mr E complains that Wise Payments Limited won't refund a payment he made for an item he says he didn't receive.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr E has explained he purchased an item – for about £375 on 25 March 2024 - on an online marketplace (which I'll refer to as 'X') but it wasn't received. He contacted Wise and raised a chargeback claim to obtain a refund. But he claims Wise didn't contact X and he's unhappy with the handling of the chargeback claim. He wants to be refunded in full.

A complaint was raised but Wise didn't uphold it. They explained they raised a chargeback once they had received the relevant information from Mr E. But X rejected the claim, and they informed Mr E of this on 7 June 2024 – when they also explained he would need to provide a cybercrime report to progress his claim. They requested this report again on 20 June 2024 but it wasn't received until October 2024, which was outside of the time limits allowed. Because of this, they were unable to escalate this any further.

Mr E's complaint was referred to the Financial Ombudsman. Our Investigator didn't think Wise had to do anything further. He said the payment wasn't suspicious enough to have expected Wise to have intervened before processing it. And that he thought Wise had acted fairly when dealing with Mr E's chargeback claim – as it was Mr E's delay in providing the cybercrime report that meant the chargeback claim was outside of the scheme's time limits. And Wise told Mr E they needed this report within ten days, but it wasn't received for several months.

Mr E didn't agree and requested that his complaint be looked at by an Ombudsman. In short, he's said:

- Wise didn't contact X to recover his money. And it's not his responsibility that Wise refused to contact them or re-raise the complaint based on the information he supplied.
- He raised the chargeback in time (within the 120-day time limit) and it's Wise's duty to ensure he gets his money back.
- Wise never warned him of any time limit and he shouldn't lose his money due to Wise's negligence or inaction.
- This is the only time he's ever been asked to forward a police report before his money can be refunded – despite the merchant asking for Wise to contact them (and Wise refusing)

Our Investigator confirmed he had seen evidence a chargeback against X was raised by Wise, which was rejected. And that Wise did request further information from Mr E to progress the claim further (arbitration), but they needed this within ten days. It wasn't however received in time. So, he couldn't say Wise acted unfairly.

The matter has 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.

I'm sorry Mr E didn't receive the item he paid for. But I must consider whether Wise is responsible for his loss. I know this isn't the outcome Mr E is hoping for, but I don't think they are – and for very much the same reasons our Investigator explained. Because of this, I don't think Wise acted unfairly by not refunding the payment. I'll explain why.

Before I do, I want to reassure Mr E that I've given careful thought to everything he's said. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Wise is responsible for the claimed loss.

There isn't any dispute here that Mr E made the payment to X. And under the Payment Services Regulations 2017 and the terms of his account, Wise were expected to process this payment, and he is presumed liable for the loss in the first instance. Although there are circumstances where it might be appropriate for Wise to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud, I wouldn't reasonably have expected that here. This is because the payment was relatively low in value and was being paid to a well-known merchant. So, I think it was reasonable for Wise to process the payment upon receiving Mr E's instruction.

I've considered whether Wise acted reasonably when trying to recover Mr E's money after the dispute was reported to them. The only possible option for recovery would've been for Wise to have attempted a chargeback against the payee – that being X.

At which point, I should explain that a chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant scheme rules. What this means is that Wise can in certain circumstances ask for a payment Mr E made to be refunded. One of those circumstances is where the goods or services aren't supplied by the merchant.

A chargeback isn't however guaranteed to result in a refund. There needs to be a right to a chargeback under the scheme rules. And under those rules the merchant can defend a chargeback if it doesn't agree with the request. There is no obligation for a card issuer to raise a chargeback when Mr E asks for one. But we would consider it good practice for a chargeback to be attempted where the rights exist and there is some prospect of success.

The scheme sets the rules and there are specific time limits that must be applied – one being that a claim can be brought no later than 120 days than the date of the transaction. As Mr E has said, he brought his claim within that timeframe – as he raised his request for a chargeback with Wise on 13 April 2024.

Wise then requested information from Mr E, which he supplied. And although Mr E says otherwise, Wise has evidenced that they raised a chargeback claim for the disputed payment on 28 May 2024 (within the 120-day time limit). They also notified Mr E of this at the time.

As I've said though, the merchant has the right to defend a chargeback if they don't agree

with the request. And X did this here – notifying Wise that they rejected the claim on 7 June 2024. Wise, as I would expect, informed Mr E of this on the same day and explained that they might be able to take this case to arbitration (whereby the card scheme decides the matter). But to do this, they told Mr E they would need a cybercrime report provided within the next ten days.

Although Mr E responded to Wise on 18 June 2024, as he was unhappy that he hadn't received his refund, he didn't provide the report Wise requested. Wise replied two days later, acknowledging the time the matter was taking, but explained they needed the report to take the matter further. This report was provided by Mr E in early October 2024. At this point, Wise explained to Mr E that the claim had been closed. Wise told Mr E they didn't have the ability to reopen the claim as it had passed the deadline when they were able to respond to the merchant.

Although I appreciate Mr E's frustration, having looked at all the available evidence that has been provided, I'm not persuaded that Wise has acted unfairly here. This is because Wise raised the chargeback as I would expect and, once they had received X's response, they informed Mr E of this the same day and set out that he needed to provide the cybercrime report within ten days for the matter to be taken further. At which point, I should note that I've not seen anything to support Mr E's claim that he was told by Wise that he had up to six months to provide this report.

The card scheme rules provide time limits for the arbitration process of a payment settlement dispute – that being 30 days from receipt of the dispute response. And given the losing party will incur costs for disputes taken to arbitration, it is understandable that Wise would only pursue this in situations whereby there is some prospect of success. Considering this, I think it was reasonable for them ask Mr E to provide further evidence to strengthen his claim – that being the cybercrime report. And although Wise didn't specify the 30-day time limit, they did make it clear they needed this information within ten days of their 7 June 2024 correspondence. And reiterated the need for the report to be provided in subsequent correspondence of 18 June 2024.

While I appreciate Mr E's frustration with the chargeback being defended, despite Wise's request for the cybercrime report to be provided by 17 June 2024, he didn't send it to them until October 2024. This however was outside of the time limits set by the card scheme – which Wise must follow.

It follows that I can't fairly and reasonably conclude that Wise mis-handled the chargeback. They submitted it within the required time limit and then sought further information to progress the matter further, but this wasn't received within the time limit required to do so. I know Mr E feels strongly about this matter, but I don't think Wise is responsible for this delay.

Wise were also unable to re-raise the chargeback upon receiving the cybercrime report – as the scheme rules only allow one to be raised. And, in any event, by this point it would've been outside of the 120 time-limit to do so.

I appreciate Mr E will be disappointed by this outcome. But it would only be fair for me to direct Wise to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Wise have acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 October 2025.

Daniel O'Dell
Ombudsman