

The complaint

Mr G is unhappy with how Wise Payments Limited (“Wise”) handled his chargeback claim.

What happened

The parties are familiar with the background of this complaint, so I will summarise it here, which reflects my informal remit.

In February 2025 Mr G booked accommodation through an online booking platform, who I will refer to as B, for a stay between 27 February and 8 March 2025. It was non-refundable and Mr G paid around £953, using his Wise debit card, which covered the cost of one villa, electricity and cleaning. The booking confirmation described the property as a villa with a private pool.

Four days before check-in, Mr G said he found out that the private pool was out of order and would be unavailable during his stay. By that time, Mr G felt it was too late to cancel his flights or arrange alternative accommodation. On arrival, he said he encountered several issues, which included the following:

- The private pool being under construction and unusable.
- Stagnant water left in the pool, which became a mosquito breeding ground, and led to being bitten.
- The oven not working, and the owner admitting it hadn’t done so for years.
- The bathroom lights not working, and Mr G being advised to replace the bulbs himself.
- The rooftop terrace being blocked by debris making it unusable.
- The property showing signs of neglect, including peeling paint and missing cupboard doors.

Mr G said the owner had known about the pool issue since November 2024 and that B had failed to disclose this when he had made the booking.

When Mr G contacted B to request a refund, B offered him around £240 in travel credit, representing about 25% of the booking cost. Mr G rejected this referring to EU consumer rules that required refunds to be returned to the original payment method unless the consumer agreed otherwise. He maintained that the service was misrepresented, because the villa was advertised and booked with a private pool, and this was not provided.

Unable to resolve the issue with B, Mr G contacted Wise to raise a chargeback. Wise explained that under Visa’s dispute condition “*not as described or defective merchandise/services*”, it could only proceed with the unused portion of the cancelled service. As Mr G didn’t cancel the booking and stayed for the full duration, Wise said it couldn’t proceed with a chargeback.

Mr G argued that Wise had applied the wrong dispute condition. He said that the service had been misrepresented and that other dispute categories such as “*merchandise/services not*

received" or "*cancelled merchandise/services*" were more appropriate and would've allowed a chargeback to be raised.

Wise maintained it was still unable to raise a chargeback under those dispute codes, because they still required cancellation or non-use of the service. Wise issued its final response in May 2025 confirming it was unable to raise a chargeback.

When Mr G referred his complaint to our service, an investigator concluded that Wise had acted in line with the scheme rules in declining to raise a chargeback and explained that Section 75 protections didn't apply to debit card payments.

Mr G disagreed with the investigator's outcome. In summary, he said:

- The accommodation was not delivered as described because the villa's key advertised feature - the private pool - was unusable, which he considered a material failure of the service, rendering it incomplete.
- Remaining at the villa for the full duration didn't mean he used the service in full as he didn't receive everything he'd paid for.
- Wise applied the wrong Visa dispute condition by focusing solely on whether the stay was cancelled or unused, rather than considering partial non-performance or misrepresentation.
- Visa's rules allowed chargebacks where services didn't match their contractual description, including partial claims based on service deficiencies rather than only non-usage.
- B's offer of store credit was not a refund under consumer law or Visa rules.
- Wise took an overly narrow view of the scheme rules and acted in support of the merchant instead of a neutral intermediary.
- Wise's refusal to raise a chargeback, combined with B's lack of engagement, left him with no effective remedy, undermining the purpose of both Visa's chargeback process and consumer protection principles.

As Mr G remained unhappy the case has been referred to me to make a final decision.

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 want to start by acknowledging that I can appreciate how this has been a very difficult experience for Mr G. He booked a villa with the expectation of having access to a private pool, only to be informed shortly before travelling that it wouldn't be available. When he arrived, he then discovered further issues with the condition of the property, which understandably added to his disappointment. I appreciate that this situation has caused him considerable stress and frustration, particularly as he was also unable to resolve matters directly with the online booking agent B.

However, in assessing this complaint, it's important to note that I'm unable to consider the actions of B in this decision. My role is limited to considering the actions of Wise and determining whether it acted fairly and reasonably in how it handled Mr G's request for help in recovering his money.

Whilst I've read and considered everything, if I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. This is not meant as a discourtesy but rather reflects my role of resolving disputes with minimum formality.

Because Mr G paid with a debit card, his only potential route to obtain a refund through Wise was via the chargeback process. The additional protections available under Section 75 of the Consumer Credit Act 1974, do not apply here, as they don't cover debit card payments.

Mr G also referred to consumer legislation such as the Consumer Rights Act 2015, which I accept gives consumers certain rights against the business providing goods or services. However, Wise isn't responsible for helping Mr G enforce those rights, under this Act, in the same way a court might. The only way Wise could've assisted Mr G in recovering his funds was through the chargeback process given he had paid with a debit card. It's important to note that what the Consumer Rights Act 2015 requires and what is required under the chargeback process are two different and separate things. And my role here is to consider whether Wise acted fairly and reasonably in how it handled Mr G's chargeback claim.

A chargeback is a process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme - in this case, Visa. It allows customers to ask for a transaction to be refunded in certain circumstances. It's not an automatic right, doesn't give consumers legal rights, and is not a guaranteed method of getting a refund, as chargebacks may be defended by merchants.

Chargebacks are decided based on the card scheme rules and not the relative merits of the cardholder/merchant dispute. While it's good practice for a card issuer to attempt a chargeback where certain conditions are met and there's a reasonable prospect of success, there are dispute conditions set by the relevant card scheme that need to be considered. If these are not met, a chargeback is unlikely to succeed. Importantly, something going wrong with a merchant won't always lead to a successful claim.

Chargebacks only also apply to the specific transaction being disputed. They cannot recover more than the value of that transaction, and do not cover consequential or indirect losses, such as inconvenience.

Here Mr G was seeking a full refund. However, as the villa was used for the full duration, the only portion of the service potentially recoverable was the element he claims was misrepresented and/or not provided. So even if a chargeback had been raised, it could only have covered the part of the service not received, not the full booking value.

Wise assessed Mr G's claim under the chargeback dispute code "*Not as described or defective merchandise/services*". Mr G said this was the wrong dispute code and referred to several alternative Visa dispute codes, which he thought were more appropriate for his situation. I've reviewed each of these below and considered which dispute condition would've been the most appropriate to consider the chargeback claim under:

Misrepresentation

According to the rules, this dispute condition is only available for specific types of purchases e.g. timeshare resales, outbound telemarketing etc, which Mr G's purchase wasn't. For that reason, I don't consider this would've been the correct category for Wise to consider Mr G's chargeback claim under.

Cancelled merchandise/services

This dispute category applies only where the cardholder has cancelled the service, and the disputed amount is limited to the unused portion of that cancelled service.

In Mr G's case the villa, which was the core service purchased, was used for the full duration of the stay. The pool and the other facilities Mr G was dissatisfied with, weren't booked or

priced as separate services, nor were they capable of being cancelled independently of the accommodation. As Mr G didn't cancel the accommodation itself, the requirements for this dispute condition weren't met.

For these reasons, I don't consider this dispute code to have been applicable to Mr G's circumstances.

Merchandise/Services not received

This dispute category states that the dispute amount is limited to the portion of services or merchandise that wasn't received. However, Visa's rules also specify that "*a dispute regarding the quality of merchandise or service provided*" is not valid under this reason code.

Here, the primary service Mr G purchased was the villa stay and that core service was provided and used for the full duration of the booking. Although Mr G reported issues with certain amenities - including the pool being unavailable and problems with the oven and bathroom lights - these amenities weren't purchased or priced as separate services. They formed part of the overall villa rental.

Because Mr G's concerns related to the condition and functionality of amenities included within the rental, I consider any defects or unavailability with these amenities would've been categorised as quality or description issues, rather than non-receipt of the paid service.

Given the scheme makes clear that quality related disputes under this category are invalid, I don't consider a chargeback could've been reasonably pursued under this reason code either.

Not as described or defective merchandise/services

Wise reviewed Mr G's claim under this dispute code, which I agree was the most relevant and appropriate dispute condition under the circumstances.

Under this dispute code, a chargeback can be raised where a cardholder disputes the quality of the merchandise or services received, or claims they were not as described. This aligns with the concerns Mr G raised about the villa.

However, this reason code also contains certain limitations and restrictions. It states that the dispute amount is limited to "*the unused portion of the cancelled service*" and specifies that "*...before the issuer may initiate a dispute, the cardholder must return or attempt to return the merchandise or cancel the services*".

In this case Mr G said he became aware a few days before travelling that the pool wouldn't be available, and this situation remained unchanged upon arrival. As the pool was part of the overall villa rental and not priced separately, my understanding of the rules is that Mr G would've needed to cancel or attempt to cancel the entire stay when he became aware of the issue, in order for this dispute condition to apply. I consider the same reasoning would've also applied to the other facilities within the villa that Mr G raised concerns about.

Had he cancelled or attempted to cancel the service (the villa stay), it's possible that a chargeback could then have been raised for the unused portion of the stay (i.e. the number of nights not stayed). But as he chose to remain and use the villa for the full duration, the requirements for this dispute condition weren't met.

I have also considered whether a footnote to this rule, which states that "*for disputes related to services that have been rendered, the cardholder must request a credit from the*

merchant” applies here. Once the stay was completed the service was considered rendered. Mr G also subsequently requested a refund from B, who then offered partial compensation in the form of credit.

The rules don’t specifically mention that a merchant offering some form of credit, on its own, prevents a chargeback from being raised if the other criteria are met. However, because the key issue in this case (the pool being unavailable) was known to Mr G before the stay began, my view is that this footnote doesn’t override the earlier requirement to cancel or attempt to cancel the service when the issue first became apparent.

Given that Mr G remained (albeit unhappily) at the villa for the full duration of his booking, and didn’t cancel or attempt to cancel, I don’t consider Wise’s decision to decline the chargeback request as unfair or unreasonable.

This is not to suggest that Mr G didn’t experience genuine difficulties during the stay. It’s clear that problems did arise and that Mr G was affected by them. However, the chargeback process is designed to be a reasonably straightforward process based strictly on the scheme rules and the established facts of a case. It is not designed to settle complex disputes or to consider legal arguments, and something going wrong doesn’t automatically result in a successful chargeback, if the relevant conditions of the scheme rules aren’t met.

Here, Wise assessed Mr G’s claim in accordance with the scheme rules and concluded that the necessary conditions weren’t met. As there was no applicable chargeback dispute condition under which Mr G’s claim could proceed, I don’t consider Wise to have acted unfairly or unreasonably in deciding not to raise the chargeback.

I understand that Mr G remains unhappy with how B handled his complaint, particularly given that only a partial refund in the form of a credit was offered. However, Wise wasn’t responsible for B’s actions, so I can’t hold it responsible for this. Wise’s role in this situation was limited to the handling of the chargeback process, and as I can’t see that it handled the chargeback request unfairly or unreasonably, I won’t be asking it to do anything further on this case.

I appreciate Mr G is likely to be disappointed with the outcome of this decision, but Mr G is of course, under no obligation to accept this decision. If he remains dissatisfied, he may wish to seek independent legal advice and pursue the matter through a formal channel such as the courts.

My final decision

I don’t uphold this complaint against Wise Payments Limited.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 30 December 2025.

Farhana Akhtar
Ombudsman