

The complaint

Mr B complains that Wise Payments Limited didn't initiate chargebacks on some payments he has disputed and it has cancelled his debit card.

What happened

The circumstances surrounding Mr B's complaint are well known to the parties, so I haven't set them out in detail here. Instead, I've summarised what I consider to be the key points.

Mr B told us he made 145 payments to various merchants between 24 April 2025 and 19 May 2025. He says these merchants presented themselves as investment platforms or e-money service providers, but, after investigation, he discovered that the money he sent was routed through these merchants to unlicensed gambling operators to fund gambling activity. He says he has not received any service or recognisable value as a result of these transactions. He considers these merchants were misrepresenting their services and so he has valid grounds to ask Wise to raise chargeback claims against the merchants.

He contacted Wise on 23 May 2025 and told it that the payments had unknowingly been used to fund gambling activity. He asked Wise to raise chargeback claims but Wise refused and first suspended, then cancelled his debit card. He also contacted the gambling operator and demanded his money back. While the gambling operator admitted to him that the merchants were used to disguise the ultimate destination of payment, it wouldn't refund him his money, and he says it has now blocked his account.

Mr B says the services of the merchants and the gambling operator were misrepresented and the merchants were used to disguise the final destination of these payments. He says he is vulnerable, has a gambling addiction and has registered with GAMSTOP so that he can't gamble with UK-based gambling operators. He thinks Wise is discriminating against him by cancelling his debit card and he considers it is in breach of the Equalities Act.

Wise says it processed the payments, which were all authorised, in accordance with Mr B's instructions. The payments were made to payment processors and cryptocurrency merchants, not directly to gambling operators. The services provided by the merchants were completed, as funds were received by them for further transfer and allocation. The payment services would be considered to have completed and there was no prospect of raising successful chargeback claims as a result. It suspended Mr B's card when he first contacted Wise because he told it the transactions were unauthorised. It says it was not aware Mr B had any vulnerabilities until he contacted it on 23 May 2025, which was after the disputed transactions had taken place. It says it later cancelled the card because Mr B had breached its acceptable use policy.

Our Investigator didn't uphold Mr B's complaint. She said Wise wasn't responsible for the merchant codes the merchants used, so it can't be held responsible if they didn't match with the services that were actually being provided. Wise had reviewed the claim and decided that there wasn't a reasonable prospect of raising successful chargeback claims and considering all the evidence, the Investigator didn't think Wise had acted unfairly. She considered it was reasonable for Wise to cancel Mr B's card, as a matter of Wise's

discretion, where it had concerns about activities such as gambling.

Mr B didn't accept the investigator's assessment. He said these transactions were not authorised because his consent to the payments was obtained by deception. The merchant codes used by the merchants relate to goods and services that were not provided. Wise failed to assess the legitimacy of the merchants. The pattern of transactions was consistent with compulsive gambling. He thinks Wise is being inconsistent in saying it considers he authorised the payments but it suspended his card because it initially thought the payments were not authorised.

As Mr B didn't accept the Investigator's assessment, the complaint has been passed to me for an ombudsman's 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'm sorry to read about the circumstances in which Mr B's complaint has arisen and about his gambling addiction and other vulnerabilities. But not every complaint referred to us as an investment scam is in fact a scam and having considered all the evidence, I'm not persuaded Mr B has been the victim of a scam here. I'll explain why.

Mr B has raised several points in response to our Investigator, which largely concern misrepresentation of the merchant codes. I'd like to reassure Mr B that I have considered all of his points and all he has said. However, our rules don't require me to comment, or comment in the same level of detail, on each point a consumer has raised. That's because we are an informal and quick alternative to the courts. Instead, I have focused on what I think are the key issues.

Mr B says he made these payments on the understanding he was sending money to investment platforms, but they were actually sent to a gambling operator without his knowledge. However, in correspondence with Wise, he says the payments he made, and which he is complaining about, were payments he made in order to top-up his overseas gambling account. The payments routed through merchants whose card scheme merchant codes didn't indicate they were providing or facilitating gambling services. He says the gambling operator was trying to circumvent UK regulations to exploit and target vulnerable users and he says the merchants misrepresented the nature of the services they were offering to facilitate this. On that basis, he thinks he should be able to make valid chargeback claims.

The chargeback scheme is operated by the relevant card scheme, not by Wise. The purpose of a chargeback scheme is to help to resolve disputes between merchants and customers. Mr B says the ultimate destination of his money was an overseas gambling operator, but he says his money was first sent to several payment processing platforms to disguise this. While Mr B says Wise should have raised chargeback claims for these payments, from what he's told us, it seems that the payments he authorised were received by various merchants for onward transfer in exactly the way he intended. The funds were then sent to his gambling account with the gambling operator, with his knowledge, and he used the funds to gamble from his own gambling account. In short, the payments were correctly processed as Mr B intended, the ultimate and immediate purpose of the transactions was not misrepresented to Mr B and Mr B was able to make use of the funds in the way that he intended.

Overall, I'm not persuaded Mr B was the victim of a scam and I'm satisfied it was reasonable for Wise to decline to raise chargeback claims with the merchants in circumstances where

Mr B received services from the merchants.

I don't consider Wise was at fault for suspending Mr B's card when he initially told it that unauthorised payments had been made using his card. I also don't consider it was at fault when it decided, having reviewed his account activity, that it would cancel his card, given that the account appears to have been used frequently for gambling and given that he had told Wise he was vulnerable and suffering from a gambling addiction. Wise would have been able to see that Mr B had made a large number of other payments to various payees associated with gambling and gaming, so I think Wise was taking what it thought was a practical step to assist Mr B and help prevent his money from being sent to gambling accounts. I do think Wise could have spoken with Mr B first though and discussed how it could support him.

I've also considered whether Wise ought to have identified that Mr B might be vulnerable and might have a gambling addiction sooner than it did, given the frequent payments to gambling and gaming operators. Mr B made a lot of payments to gambling and gaming-related payees, often several times each day. The amounts varied, but cumulatively they were for a significant amount. Given the large number of frequent, small value transactions, to digital wallets, cryptocurrency platforms and gambling sites, I consider there was enough concerning activity that Wise ought to have intervened to ask Mr B some questions about the purpose of the transactions.

But even if Wise had spoken with Mr B and had been able to identify that he might have a gambling addiction and even if it had spoken to him about putting restrictions in place for gambling transactions, I think it's more likely than not that Mr B would have still made the payments from one of his other accounts. I say that because I can see he made very similar payments using his other accounts with various banks and EMIs, over a sustained period of time.

I understand that Mr B has real concerns that Wise has discriminated against him because he is vulnerable and suffering from a diagnosed gambling addiction.

It's not our role to say whether a business has acted unlawfully or not – that's a matter for the Courts. Our role is to decide what's fair and reasonable in all the circumstances. In order to decide that, however, we have to take a number of things into account including relevant law and what we consider to have been good industry practice at the time.

In this case, I've already explained to Mr B why, having considered everything, I don't think Wise has handled some things as well as it could have done. So, I hope it reassures him to know that someone independent and impartial has considered his concerns, but overall, for the reasons given above, while I consider Wise could have done more, I don't uphold Mr B's complaint.

My final decision

I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 March 2026.

Greg Barham
Ombudsman