MOVE

Refund Mechanic Feasibility Report

Technical & Legal Analysis

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Prepared by Research Team

Executive Summary

Bottom Line: The refund mechanic IS feasible.

Using **Stripe direct payments**, MOVE can offer a "pay $12.99, get 90% back when you hit goals" model with minimal legal risk and full technical support. Apple In-App Purchases cannot support this model.

Quick Assessment

Area	Status	Summary
Stripe Payments	✓ Go	Partial refunds fully supported; no chargeback impact
Apple IAP	✕ No	Developers cannot issue refunds; Apple controls all
MSB Licensing	✓ Clear	Not money transmission — refund to same party
State MTL Laws	✓ Clear	Seller's exemption applies in all 50 states
Fund Custody	✓ Clear	No escrow obligations; standard revenue model

The Numbers

$12.99	**$11.69**	**$1.30**
Monthly Premium	Refund (90%)	Net (if goals hit)

Technical Analysis

Stripe: Recommended Approach

Stripe's refund API fully supports the MOVE model with no complications.

Key Findings:

- **Partial refunds** are natively supported — refund any amount up to original charge
- **Refunds do NOT affect chargeback ratios** — this was the primary concern
- **No special approval needed** — this is standard "money-back guarantee" mechanics
- **Processing time:** 5-10 business days to appear on customer statement

Chargeback Risk: None

This is critical: **Refunds are excluded from dispute ratio calculations.**

Program	Threshold	MOVE Impact
Visa VAMP	0.5% disputes	Refunds excluded — no impact
Mastercard ECM	1.0% + 100/mo	Refunds excluded — no impact
Your refund volume	90% of successful users	Zero effect on standing

*Note: Generous refund policies typically **reduce** chargebacks by keeping customers satisfied.*

Apple IAP: Not Viable

Critical Limitation:

Developers **cannot** programmatically issue refunds through Apple's APIs. The `beginRefundRequest()` API only lets users **request** refunds — Apple makes all approval decisions.

Financial Problem

Even if Apple allowed refunds, the math doesn't work:

Item	Year 1	Year 2+

User pays	$12.99	$12.99
Apple takes	$3.90 (30%)	$1.95 (15%)
MOVE receives	$9.09	$11.04
Refund owed	$11.69	$11.69
Net position	−$2.60	−$0.65

Recommendation: Use web-based Stripe checkout to bypass Apple's payment system entirely.

Legal Analysis

Money Services Business (MSB): Low Risk

> **Why MOVE is NOT a Money Transmitter:**
>
> Money transmission requires transferring funds from Person A to Person B.
>
> MOVE refunds money **to the same person who paid** — this is a conditional rebate, not transmission.

Legal Basis

Regulation	How It Applies
31 CFR § 1010.100(ff)(5)	Requires transmission "to another person" — same-party refunds don't qualify
"Integral to services" exemption	Fund movements integral to providing services are explicitly exempt
Precedent	Cashback cards, rebates, gym refunds all work identically without MSB licensing

State Money Transmitter Laws: Low Risk

Jurisdiction	Risk	Notes
Federal (FinCEN)	Low	No third-party transfer
New York	Med-Low	Aggressive regulator, but logic applies
California	Low	Clear seller's exemption (§ 2010)
Texas	Low	Requires "to another person"
Florida	Low	Requires intermediary function
Other states	Low	Standard commercial refund

Fund Custody: No Special Obligations

- **Not escrow** — No neutral third party, no segregated funds
- **Standard revenue** — Once paid, funds are company money; refund is an expense
- **Accounting:** Book revenue, accrue liability based on expected completion rate

Recommendations

Implementation Path

Primary Approach:

Use **Stripe direct payments** for Premium subscriptions. Process refunds at month-end for users who hit 24/30 days.

Fallback (if App Store required):

Use **Credit Model** — users earn $11.69 toward next month instead of cash refund.

Action Items

No.	Action	Priority
1	Set up Stripe payment processing with partial refund flow	High
2	Draft Terms of Service with clear refund terms + no-escrow language	High
3	Integrate refund logic with goal tracking system	High
4	Obtain formal legal opinion for 50-state operation ($10-25K)	Medium
5	Build Credit Model as backup for App Store distribution	Medium
6	Frame marketing as "performance discount" not "earning money"	Low

Summary: The MOVE refund mechanic is technically and legally feasible.

Use Stripe. Avoid Apple IAP. Get a legal opinion before national launch.

— End of Report —