

The complaint

Miss D asked Revolut Ltd to make three payments for her. She realised she'd given the wrong account details so asked them to recall the funds. Miss D is unhappy that Revolut Ltd instead corrected the account details and transferred a payment to the account. She wants Revolut Ltd to reimburse her the sum they incorrectly transferred and to pay compensation.

What happened

Between 20 and 22 October 2019, Miss D asked Revolut Ltd to make three transfers. These were for \$2, \$4,198 and \$1,160, all three were for the same recipient, a travel agent, and were for a trip she had arranged while overseas.

On 25 October at 17:17, she contacted Revolut Ltd on their online chat service and explained that she had arranged to pay money to a travel agent but they hadn't received the funds yet, she asked Revolut Ltd to confirm the funds had been sent. She received some general messages asking for further information. Miss D then sent a screenshot of the payment for £1,160 and followed this with a message at 17:41 which said "*We discovered the account number is wrong. Please can you recall the funds. Account number should be *****. They missed a digit.*" It appears the original account details provided by Miss D to Revolut Ltd had a digit missing.

At 18:06 Revolut Ltd said they would ask the relevant team to check if it was possible to recall the transfer. They sent another message at 19:52 which said it wasn't possible to recall the transfer, however their team had amended the account number and the transfer should now reach the correct account.

Miss D had decided to pay for the trip directly with the trip organiser and has provided a receipt which shows that her husband made a payment of \$5,300 by credit card on 25 October.

Miss D then found out that a payment of \$1,160 had been made so she contacted Revolut Ltd on 1 November and said she didn't want them to change the account as her husband had paid for the trip by credit card. She explained that she had been told by the intended recipient's bank that the original funds would have bounced but now that Revolut Ltd had changed the account details and sent \$1,160 again, it meant the travel agent had received \$1,160 extra because they had already paid by credit card.

I can see that Miss D then asked Revolut Ltd to recall all three payments made. There was then ongoing discussions between Miss D and Revolut Ltd through November during which Revolut Ltd said they had made requests for a recall and were waiting for the bank, where the funds were received, to get approval from the account holder to return the funds. At the same time, Miss D was trying to contact the travel agent who was originally ignoring her emails. They then responded and said they hadn't received the \$1,160.

On 6 December, Revolut Ltd sent a message to Miss D which said that the recipient bank had confirmed the funds had been paid into their account holder's account on 31 October. The sum which had been paid was \$1,140 but Revolut Ltd said that it was most likely that

intermediaries had taken fees. There were further discussions between Miss D and Revolut Ltd during which they said they couldn't take the matter forward as the account holder wasn't returning the funds. Miss D was also told to contact the police as Revolut Ltd felt the account holder's refusal to approve the refund was fraud. Miss D contacted the police and provided these details to Revolut Ltd.

Our investigator looked into things for Miss D and asked Revolut Ltd for their response. They told us that their Transfers Investigations team always advise customers to go with an amendment rather than a recall because it's faster. And because of this, customers usually prefer amending payments instead of recalling them.

They told us that they tried to act in the best interests of Miss D by requesting an amendment. They also felt that the lack of precision in Miss D's instructions should be seen as a contributing factor towards the issue. They also said that Miss D didn't respond when they told her about the amendment on 25 October. They said if Miss D had been more precise in her instructions and communicated her wishes in a timely manner, it wouldn't have taken the same amount of time to proceed with the recall.

After considering all of the evidence, I issued a provisional decision on this complaint to Miss D and Revolut Ltd on 20 July 2020. In my provisional decision I said as follows:

"This complaint comes down to what Revolut Ltd understood Miss D's instructions to be from her message at 17:41 on 25 October. The message asked Revolut Ltd to recall the funds but there was no further request beyond this. In my view, Revolut Ltd should only have taken the action they did if there was a clear request for them to resend the funds but using the correct account details. There was no such instruction from Miss D.

The online chat history shows that the agent from Revolut Ltd who spoke with Miss D on 25 October did understand Miss D's request because they told her they would check if it was possible to recall the transfer and then later said it wasn't possible to recall the transfer. The action taken here shows that Revolut Ltd did understand Miss D wanted to recall the payment and acted in line with this by first checking the position internally and then confirming the position to Miss D. I do therefore intend to take the view that Revolut Ltd understood what Miss D wanted. So, the next point to consider is whether Revolut Ltd acted fairly and reasonably by then taking steps to resend the payment.

The message sent by Miss D did provide the correct account number so I can see why Revolut Ltd took this as an instruction to resend the funds to the correct account. However, I feel that should only have been done if there was a clear instruction for them to resend it. I say this because the message from Miss D can be viewed in two ways. It can be seen as an instruction to recall and resend because Miss D had provided the correct account details. It can also be seen as a recall only but with Miss D providing the correct account details just to let Revolut Ltd know why a problem might have occurred with the original funds.

By seeing it as an instruction to resend the funds, as was the case here, the consequences of getting it wrong are that a payment will be made to a party when Miss D didn't want that, which would then lead to a process of having to recall this. The consequences of seeing it as a recall only, and getting it wrong, are that the funds wouldn't have been resent and another party wouldn't have received the funds. I understand the second scenario would have led to a payment not being made for a service but, had this been the case and Revolut Ltd later found out that Miss D did want them to resend the funds, then it would have been reasonable for Revolut Ltd to

argue that there was no positive request for them to do anything other than recall the funds. In addition to this, Revolut Ltd say that the outcome for recalls is highly uncertain depending on the circumstances.

This being a consequence, which Revolut Ltd accept, is even more reason for them to have checked their understanding of Miss D's request with her before resending the funds. The consequences of resending the funds was therefore greater than not resending the funds.

I believe Miss D's intention was for the funds to be recalled and not resent. I say this because it's clear from the receipt she provided she had already decided to pay for the trip separately. Revolut Ltd weren't to know this because Miss D didn't tell them, but the message she sent only had one clear request, that was her asking them to recall the funds. Miss D didn't then say what else she wanted Revolut Ltd to do with the funds so it would have been reasonable for Revolut Ltd to have recalled the funds and wait for any further instructions from Miss D.

I can see that Revolut Ltd say there was a lack of precision in Miss D's instructions. I understand why Revolut Ltd treated Miss D's message as a request to resend the funds. I have addressed this above, and why I feel Revolut Ltd's actions weren't reasonable, but their comment about lack of precision shows that they accept there was detail that was missing from Miss D's request. I agree with this and therefore this was all the more reason to check with Miss D before taking any action in the matter. The message about the recall should have led Revolut Ltd to check their understanding. I feel no action should have been taken until they had heard back from Miss D to confirm what she wanted.

Revolut Ltd say they were trying to do what's best for Miss D because a recall takes longer to sort out than an amended payment. I do understand this and see why they feel they were doing what they thought was best for Miss D by making an arrangement which meant the matter could be sorted quicker. It does however bring us back to the point that the lack of a clear instruction should've led to no action being taken apart from a recall. And Revolut Ltd, knowing the consequences of getting it wrong, should have realised it would lead to a position which wasn't in Miss D's interests.

Revolut Ltd say that Miss D didn't respond when they sent a message at 19:52 letting her know what steps they had taken. I have seen the online chat history which shows this message was sent two hours after Miss D's last message. Miss D has said that she wasn't on the online chat at this point and she also feels it was clear from her last message what her instructions were. I don't think it's reasonable to expect Miss D to stay on the online chat for over two hours, particularly when she was on her honeymoon. Following Miss D's last message, which set out the recall instruction, Revolut Ltd sent six messages between 18:03 to 21:01, I feel it should have been clear from the lack of response that Miss D was no longer present in the online chat. In light of this, Revolut Ltd, should have waited for further instructions from Miss D or tried to make contact with her to check their understanding of her request.

I therefore intend to uphold this part of Miss D's complaint that Revolut Ltd acted unfairly and unreasonably by resending the payment of \$1,160.

I have also looked into Revolut Ltd's actions once they became aware of the problem with the payment. This was brought to their attention by Miss D on 1 November and I have seen the online chat started at 16:17 and finished at 19:30 on that day. In

messages sent by Miss D she says "It is our honeymoon. Lots of stress very unhappy." and "Honeymoon should be relaxing, not dealing with banking nonsense." It's clear that Miss D was upset and frustrated at what had happened and inconvenienced by having to discuss this with Revolut Ltd for over three hours on 1 November, while being on honeymoon.

I have seen that Revolut Ltd did take steps to try and recall the \$1,160 but this didn't prove successful as the account holder wasn't giving their approval to their bank for this amount to be sent back. During this time, Miss D was further inconvenienced by having to make contact with the account holder, the party who they paid by credit card for the trip, an overseas police force and also Revolut Ltd. This continued from November 2019 to January 2020. I do understand the reasons why Revolut Ltd asked Miss D to make the enquiries she did but the error which led to this was made by Revolut Ltd and they should've looked into refunding the \$1,160 and then taking any steps necessary to recover this sum themselves."

So, subject to any further comments from Miss D or Revolut Ltd, my provisional decision was that I was minded to uphold this complaint.

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've decided to uphold the complaint for the reasons set out in my provisional decision and copied above.

Following my provisional decision, Miss D has replied to say she doesn't have anything further to add and Revolut Ltd haven't replied.

Putting things right

I've taken the view that Revolut Ltd did make an error in resending the \$1,160, so they should refund this amount to Miss D. The payment made was in US Dollars so the refund should be US\$1,160. I can see that processing fees were applied to the refund of \$4,198 but I haven't seen any evidence which shows that the same fees would've been applied to the \$1,160. So, Revolut Ltd should refund the full amount. I think, had the error not occurred, then this would've been refunded to Miss D on 13 November which is the same day the other payments were refunded.

That said, I understand Revolut Ltd might want to recover this sum themselves and can see that they have information which they would need to seek recovery. If however, there is further information they need then Miss D should help provide any further details.

Revolut Ltd should also pay compensation to Miss D. This reflects the shock to her when first realising that the payment had been resent and the worry, upset and inconvenience caused to her in having to deal with the issue while on honeymoon. This also takes into account the further inconvenience to her in having to deal with the issue for three months with Revolut Ltd.

My final decision

My final decision is that I uphold the complaint. Revolut Ltd must:

- Refund the sum of US\$1,160 directly to Miss D together with simple interest on this amount at the rate of 8% a year* from 13 November 2019 until the date of settlement; and
- Pay compensation to Miss D in the sum of £100 for the trouble and upset caused.

* HM Revenue & Customs requires Revolut Ltd to take off tax from this interest. Revolut Ltd must give Miss D a certificate showing how much tax it's taken off if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 22 September 2020.

Paviter Dhaddy
Ombudsman