

The complaint

'A', a limited company, complains that Revolut Ltd won't refund a payment that it says it made in error.

What happened

A made a payment from its bank account on 29 July 2019 for an invoice. The payment was made using the mobile app. On 6 September 2019 the director of A contacted Revolut to say that the person it'd sent the money to hadn't received it.

Revolut explained that this payment had gone to one of its other account holders. It says that when a payment is set up if the name matches a phone number in the sender's contact list it can be made directly. So, this was sent as an internal payment. It had tried to contact the recipient on multiple occasions but hadn't had a response. It had told A to contact the authorities about it and could then disclose information about the person who had received the money.

Our investigator did not recommend that the complaint be upheld. She said that Revolut had told this service that:

"While in an internal transfer the user goes to the payment section and selects one of his contacts (the people that have their phone numbers registered in his phone and that happen to have Revolut accounts), the user then selects a contact, enters the amount and the transfer is sent".

As Revolut had not had a response from the beneficiary it was something that A would need to take up with the relevant authorities.

A did not agree. The director said that this service should be investigating this further and didn't understand our role. And Revolut hadn't told A which authorities to contact and how they could help. It should have frozen the account and asked the recipient for proof the funds were legitimately received.

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 explain first that this service provides informal dispute resolution. We look at the evidence and submissions from both parties to a complaint. But we don't have a role say in conducting any criminal investigation. I need here to decide whether Revolut has made a mistake and if it has acted reasonably.

There is no evidence that this payment instruction was made to an account at a different financial business whatever A might have originally intended. The payment in question was made as an internal one between Revolut account holders. And Revolut has explained how that can be set up by matching to an existing contact. I'm afraid it was fairly down to A to

establish that this was the correct person it was sending the money to or to clarify that if it was unsure. I'm satisfied on balance that the payment had been authorised by A.

A has asserted that the genuine beneficiary hasn't received it. And its conclusion is that someone with the same name and an account at Revolut got it instead. There was no suggestion of any scam here. And so Revolut didn't have a fair basis to decide whether or not the money should have been received by its account holder or not. It told A that it made multiple attempts to contact this person but received no response. In any event the issue was raised some five weeks after the payment, and I think it is unlikely that had those funds been received incorrectly they would still be available.

I think Revolut made reasonable attempts to resolve the issue and to ask the recipient about the payment. I don't consider it had a basis simply to remove that money.

As a result, I think its suggestion that A contact the relevant authorities if it thought a crime had been committed here was a reasonable one. And it told A that it would provide information to the authorities as part of such an investigation. I wouldn't have expected it to do more and it was up to A to pursue this. And as I've explained the extent of our role is to look at a complaint by A against Revolut. Having done so I don't have a reasonable basis to require Revolut to do anything further. I appreciate that this will be a great disappointment to the director of A.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 11 November 2020.

Michael Crewe
Ombudsman