

The complaint

Mr G complains that Revolut Ltd failed to process a direct debit payment that meant he missed out on a £1,000 Lifetime ISA bonus.

What happened

Mr G says he set up a direct debit payment for £4,000 to be taken out of his account before the end of the 2019/20 tax year which would have meant him receiving a £1,000 bonus for doing so. He says the direct debit failed due to a Revolut systems problem and he lost out on the bonus. Mr G says he has been caused emotional distress and would like the £1,000 paid to him.

Revolut accepts there was a problem with the business that processes its direct debits. But it says its account terms and conditions make clear that it isn't responsible for losses in these circumstances caused by factors outside its control. Revolut says it has offered Mr G £150 as a gesture of goodwill but will not pay for the lost bonus.

Mr G brought his complaint to us and our investigator thought Revolut had dealt fairly with it by explaining what took place and by offering an appropriate goodwill amount. The investigator didn't think Revolut was liable for any losses caused in these circumstances and also thought the direct debit had been set up too late for the 2019/20 tax year.

Mr G doesn't accept that view and in summary says the direct debit was set up in time, but the transaction would have shown on his account on 6 April 2020 and the money actually collected before the tax year end. He says Revolut ought to be liable for the actions of the other business and would like to see the agreements and arrangement conditions between them. Mr G would like a proposal sent to Revolut inviting it to pay him £750 as a compromise and says Revolut has breached its contract with him to provide a banking service.

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 have come to the overall view that Revolut has made a fair and reasonable gesture of goodwill offer of £150. I appreciate that Mr G will be disappointed by my decision. I also make clear that our role is not to negotiate settlements with parties as Mr G would like but to look at a complaint and consider what each party says and reach a fair and reasonable decision.

I accept that Mr G had set up the direct debit to take the payment before the end of the tax year but that the payment would appear on his statement on 6 April 2020. I don't know why the business that Mr G was paying the money into dealt with the payment timings in that way but overall, I accept Mr G was told the payment would count towards the 2019/20 tax year for the Lifetime ISA. But I also think that the payment had been set up very close to the end of the tax year and that Mr G ought to have considered alternative payment methods to make sure the payment was received in time.

The key issue is what Mr G's account terms and conditions, which I think he would have agreed to when the account was first opened, say about these sorts of issues. I'm satisfied those terms and conditions say in summary that Revolut will not be responsible for losses caused by matters outside of its control. I think that is what took place here, that the business Revolut used to process the direct debit payments for whatever reason couldn't process the direct debit. So, it follows that I can't fairly hold Revolut responsible for any losses Mr G may have suffered in these circumstances.

I appreciate that Mr G would like to know what the agreement was between Revolut and the other business, but I'm satisfied that such matters are commercially sensitive and not something I can order be disclosed to him.

Overall, I'm satisfied that Revolut has acted fairly by offering what I think is a fair and reasonable gesture of goodwill of £150 for what took place and about what took place when Mr G first complained. I appreciate Mr G may not wish to accept that offer but I think this brings an end to what we in trying to sort out this complaint informally can do to assist him. I can see that Mr G says he may take legal action which of course is his choice and so may not wish to accept the goodwill gesture.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 2 December 2020.

David Singh
Ombudsman