

## **The complaint**

Mr G complains that Revolut Ltd won't refund a payment he made from his account.

## **What happened**

Mr G holds an account with Revolut. In October 2019, Mr G used the account to purchase digital gift vouchers from an online merchant at a cost of €460. I'll refer to the merchant as "S".

Some time later, in January 2020, Mr G raised a chargeback claim with Revolut to pursue a refund. In his submission, Mr G said S had changed its terms and conditions after purchase, devaluing the gift vouchers. So, he wanted a refund.

S defended the chargeback claim. It provided evidence that the gift vouchers had been supplied to Mr G and – of the three vouchers he'd bought – he'd downloaded two of them. S also said its terms and conditions hadn't changed. After reviewing the evidence S provided, Revolut decided it no longer had a valid chargeback claim for the transaction. Revolut confirmed its decision to Mr G and provided him with a copy of S's evidence.

Mr G was unhappy with Revolut's decision, so he complained. He reiterated the merchant had changed the terms and conditions shortly after he made purchase, so the vouchers weren't as described, and he should receive a refund.

Revolut sent its final response to Mr G on 23 January 2020. In it, Revolut reiterated that S had provided evidence of the gift vouchers being supplied – and that it couldn't take any further action.

Mr G remained unhappy, so he referred his complaint to our service. An investigator here considered what had happened, but he didn't think Revolut had acted unreasonably. He said, in summary, that it's not for this service to decide whether a chargeback claim should – or shouldn't – be successful. Instead, the investigator explained that he'd looked at Revolut's actions to determine if it had taken reasonable steps to help Mr G – and he thought it had.

Mr G disagreed, and he asked for an ombudsman's decision. He said that, after S had changed its terms and conditions, he'd asked it to close the account he held with it and refund the payment. But it hadn't done so, and it had added the gift vouchers to his account anyway. Mr G also provided the investigator with some further information about measures that had been taken against S by authorities overseas – where he resides.

The investigator empathised with Mr G's position, but he still didn't think Revolut needed to do anything more. That's because the issues Mr G has with S's practices isn't something this service can consider. And, in the investigator's opinion, Revolut had followed the steps we'd expect to see in a chargeback claim and reached a reasonable decision not to proceed.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

## **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 think it's helpful to start by summarising what chargeback is and how it works. It's a process for resolving disputes between card issuers (Revolut) and merchants (S). The chargeback scheme is a voluntary code which card issuers can sign up to. It's run by the card scheme – that is, the business which runs the payment network – not Revolut. Here, the card scheme is Mastercard.

Chargeback claims are processed and decided based on the card scheme's rules. Customers aren't automatically entitled to a chargeback and Revolut don't have to attempt it just because a customer asks them to. But I'd expect them to try if there's good reason to do so.

When considering a chargeback request, Revolut are bound by the rules of the card scheme. They aren't obliged to submit a claim if they don't think the rules apply, or if they think the claim is unlikely to be successful. Each case depends on the individual circumstances. So, what I need to decide here is whether Revolut acted fairly and reasonably in relation to Mr M's chargeback request.

Although there's no strict obligation on a bank to carry out a chargeback, generally it's fair for one to be attempted if there's a reasonable prospect of success. In this case, Mr G provided a lot of information about how he'd tried to resolve the dispute with the merchant. He'd also been successful in other chargeback claims against S. So, I think it was reasonable for Revolut to submit a claim.

The merchant, S, defended the claim. It provided Revolut with some evidence to show Mr G had received the goods he'd paid for and, crucially, that two of the three gift vouchers had been downloaded. Further, S also said its terms and conditions remained the same as at the time of purchase.

I've considered all of Mr G's comments and I know he feels very strongly about this issue – particularly with regard to S's general practices. He's taken the time to provide wider information about punitive actions taken by the relevant overseas authorities against S, and he feels this supports his case. But it's important to remember this complaint is about Revolut as his account provider – it's not about S, which isn't a financial service provider and therefore doesn't fall within my remit. So, to be clear, I'm only considering whether Revolut acted reasonably in its attempt to try and help Mr G in his dispute with the merchant – not whether Mr G was mistreated by the merchant itself.

It's for this reason that I cannot comment on what should or shouldn't have happened with Mr G's purchase. And nor is it my role to comment on whether S acted honestly in how it dealt with Mr G. Ultimately, Revolut made the decision not to take the claim any further given the evidence it received. And – bearing in mind the relevant scheme rules and the information provided as part of the claim – I think that decision was reasonable.

It's clear this is a matter of principle for Mr G. I empathise with his situation and I know this isn't the answer he was hoping for. But for the reasons I've set out above, I think Revolut took the necessary steps to help him with his chargeback claim and made a reasonable decision based on the evidence it received. So, I don't require it to do anything more.

### **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 21 September 2021.

Simon Louth  
**Ombudsman**