

## **The complaint**

Mr D complains that Revolut Ltd hasn't done enough to help him recover money he paid for flight tickets he couldn't use.

## **What happened**

Mr D has a Revolut prepaid Visa card. In April 2020 he used the card to pay an airline ("M") for flights from New Zealand (where he was at the time) the following month. But a few days after Mr D paid for the tickets M contacted him to say it had cancelled the flight for reasons connected to the Covid-19 pandemic. It offered an alternative flight date valid until June 2021, but this wasn't suitable for Mr D's situation. He sought a refund from M, which it declined to provide.

As Mr D paid using his Revolut card, he asked it to assist him with obtaining a refund. Revolut raised a chargeback through the Visa card scheme, but this was defended by M with supporting documents suggesting a flight voucher was a suitable alternative in the circumstances. Revolut told Mr D it wasn't able to progress his claim. He was unhappy with the situation and complained to Revolut, and subsequently to us.

Our investigator didn't think Revolut had dealt with Mr D unfairly. It had attempted to recover his payment using the chargeback process, and M had provided what appeared to be a valid defence under that process. The response M had given was consistent with Covid-19 guidelines issued by the Visa card scheme. The investigator noted that the circumstances in Mr D's case were such that a voucher would be deemed a suitable alternative under the chargeback process, and that the relevant aviation commission to which M belonged took a similar stance on whether M's actions were reasonable.

Mr D didn't accept the investigator's conclusions and has asked for this review.

## **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.

Let me say, from the outset, that I have every sympathy with the position Mr D and his family found themselves in. He paid a significant amount of money for flights he was unable to take through no fault of his own. And his reasons for rejecting alternative flight dates – or a voucher – were understandable, given it would have involved departing from a country he would no longer have been in (assuming he was able to return to the UK by other means). He's currently out of pocket by a large sum and his strength of feeling is clear.

That said, I can't say that this makes it fair for Revolut to refund him, or that it should be able to recover the money on the basis he's out of pocket. It would only be fair to do so if Revolut was in some way responsible for Mr D's loss – perhaps due to the way in which it handled his request for assistance, or because of some other liability it has accrued. Although Mr D used a Visa-branded card to pay for the flights, it was a prepaid card rather than a credit card. So he can't claim against Revolut under section 75 of the Consumer Credit Act 1974.

The only mechanism available to Revolut to recover Mr D's payment to M was through the chargeback process, which enables – in certain circumstances – cardholders to resolve disputes they have with suppliers. So that's what Revolut did. It raised a chargeback claim, under the appropriate reason code, submitting what Mr D had told it in evidence.

But the rules under which Revolut is able to make a chargeback claim also permit M to defend it. And M did so. It submitted supporting evidence that it had cancelled the flights following government intervention, and that it had offered an alternative in line with the card scheme guidance. Having reviewed that guidance I think Revolut was entitled to take the view that pursuing chargeback further was unlikely to lead to a successful outcome.

That doesn't mean Mr D is unable to pursue a claim against M by other means. The aviation commission's opinion might have a bearing on the situation, but it isn't the definitive position in law. It's not for me to venture an opinion on any prospect of success Mr D might have should he seek to progress a legal claim. I'd imagine the legal position is complex, given that the travel arrangements involved multiple countries and potentially several international jurisdictions. I can only suggest Mr D takes independent legal advice in this respect.

### **My final decision**

I sincerely hope Mr D is able to achieve a resolution to his underlying dispute with M. As I've said, I think anyone would sympathise with his predicament. But having reviewed matters I don't think there's any basis on which I could say Revolut Ltd has treated him unfairly or dealt with his request in a way that might suggest it would be fair for it to refund him, or pay him compensation. So I regret to say that I can't uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 11 March 2022.

Niall Taylor  
**Ombudsman**