

The complaint

Ms R complains that Revolut Ltd completed a transfer by error and won't transfer the money back to her.

What happened

Ms R attempted to make a transfer to one of her contacts on 11 July 2020 for 250EUR. This transfer failed as she had insufficient funds in her account to make the transfer. On 28 July 2020, Ms R deposited 600EUR into her account and was surprised that Revolut had made a 250EUR transfer to the contact she attempted to pay on 11 July.

Ms R contacted Revolut on 28 July 2020. She attempted to cancel the transfer as she did not want her contact to have this money. Revolut were unable to get a response from Ms R's contact and so the money was unable to be transferred back to Ms R.

Ms R made a complaint to Revolut. The complaint was not upheld. Revolut said that although Ms R had contacted them to cancel the transfer, the transfer had already been made. As the transfer was to an internal account, the payment was instant and Revolut were unable to return the funds without the beneficiaries permission. As the beneficiary of the funds had not responded to Revolut's messages, then Revolut were unable to reverse the transfer.

Ms R brought her complaint to our service and said she wanted Revolut to pay her the 250EUR to resolve her complaint. Our investigator did not uphold Ms R's complaint. He said as Ms R did not have the funds to pay her contact on 11 July 2020, the payment was processed as a "pre-order". This meant the transfer was pending until Ms R deposited enough money into her Revolut account for the transfer to be made.

Our investigator said that Revolut had sent him an example of the message which would have been displayed to Ms R at the time the original transfer didn't complete, which included the words "*we'll process the payment after receiving your money*". Our investigator also said that Revolut had followed their terms and conditions by trying to contact the beneficiary, but they were unable to do so. Revolut informed Ms R of this and suggested, since the beneficiary was in her contact list, that Ms R should contact the beneficiary to get her money back and if she was unsuccessful with this then she could contact the relevant authorities.

In conclusion, our investigator said to Ms R that she may not have intended to set up the pre-order payment and she feels that it was an error on Revolut's behalf, but the pre-order was a feature of the account and not an error with the mobile application (app) or by Revolut. And, as Revolut acted in line with their terms and conditions by trying to recover the payment then he thought Revolut acted fairly when addressing the issue.

Ms R asked for an Ombudsman to review her complaint as she said the fact that she wanted to make a transfer the first time which didn't work due to insufficient funds should not be shown once the account was funded. She also said that she had no way of cancelling the pre-order and this process wasn't clear to her.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The first thing I've looked at here is the pre-order process. So I asked Revolut how a customer would know that they have processed a pre-order transfer and how they would be able to cancel the transfer if they had changed their mind. As our investigator explained previously, Ms R would have been shown a screen which said, "we'll process the payment after receiving your money". At the top of the screen I can see that it says "transfer – waiting". So I am persuaded that it would be clear to Ms R that the transfer was waiting to be completed and it would be completed after receiving her money – in this instance a deposit into her account to cover the transfer.

Revolut have also confirmed that this transfer could have been cancelled if Ms R had changed her mind before she deposited money into her account. To do this, she could have visited the home screen, clicked on pending action and then clicked cancel on the pre-order details screen. So because the pre-order section would have been visible to Ms R on the home screen of the app, then I'm persuaded that Ms R had the opportunity to cancel the pending transfer if she wished to do so.

I've then considered what Ms R has said about there being an error on the app which allowed this to happen. So I asked Revolut if there were any app errors on 11 July 2020, when the pre-order was placed, or on 28 July 2020 when the deposit was made into the account and the transfer automatically happened. But Revolut confirmed there were no errors on the app on these days. So I'm satisfied that an error on the app didn't cause the transfer to happen, but it was processed in line with how a pre-order should have been.

Finally, I've looked at the actions of Revolut once Ms R has informed them she wished to cancel/reverse the transfer. I've seen the messages from Revolut to the beneficiary of the transfer. They attempted to open communication with the beneficiary on four separate days over a 24 day period. So I do think that they have followed section 15 of their terms and conditions by trying to get Ms R's money back, but as they explain here, sometimes they are unable to do so and it isn't guaranteed that they can do this. So for the reasons I've previously given, I'm persuaded that Revolut haven't made an error. So it follows that I do not intend to uphold this complaint."

I invited both parties to let me have any further submissions before I reached a final Decision. Neither party responded to my provisional decision.

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.

As neither party presented me with any further information to consider, then my final decision and reasoning remains the same as in my provisional decision.

My final decision

I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 17 December 2021.

Gregory Sloanes
Ombudsman