

The complaint

Mr B disputed two transactions on his account with Revolut Ltd. He complained that Revolut took too long to deal with the chargeback for these, and that it provided poor customer service.

What happened

On 1 August 2021, Mr B contacted Revolut by chat. He wanted to dispute two payment to a car rental firm which had been debited on 10 July. One was for £160.26 and the other for £501.65. Mr B said he'd tried to contact the merchant but with little luck.

Revolut said it had raised the claim and would update Mr B on 2 September.

The debits put Mr B's account into a negative balance, so he wasn't able to use the account. Any credits went towards the negative balance.

Over the next few weeks, Mr B contacted Revolut frequently by chat. He provided a screenshot from the merchant saying its account had been debited with the disputed amounts. He also told Revolut he was finding it hard, and couldn't eat.

Revolut told Mr B that its chargeback team would have an outcome by 2 September. It offered him three months' free on his plan, which was worth £38.97, but this would have been credited to the negative balance. Mr B refused it, saying the hard time for him was now. It's clear from the chat messages that Mr B was frustrated and increasingly angry about Revolut's responses.

Mr B complained. In its final response on 24 August, Revolut explained that chargeback claims are provided by card issuing companies, and referred Mr B to its blog post and help centre to read more about the process. Revolut said that although Mr B might have expected to have the dispute solved sooner, the timeframes were set by the card scheme, not by Revolut.

Mr B wasn't satisfied and complained to this service. Meanwhile the disputed transactions were credited back to Mr B's account on 1 September.

Our adjudicator didn't uphold Mr B's complaint. She said she could see that Revolut had processed the chargeback correctly and had made him aware of the timescales and the process, and had offered him a goodwill gesture of £38.97, which was equivalent to three months of his plan.

Mr B didn't agree. He said he couldn't see that the adjudicator had gone into the length of time and poor service during the chargeback process. He asked for an ombudsman's 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.

It's clear from the chat messages that Mr B was very frustrated with Revolut. I can understand why he was upset, because the disputed transactions had put his account into a negative balance, meaning that any credits went towards the negative balance. He told Revolut this meant he couldn't eat.

In terms of the chargeback itself, it's accurate that the process is run by the card schemes. They set timescales for each stage of the process – and Revolut wouldn't have had any control over those timescales. I recognise that Mr B thought it should be quicker because he'd provided a screenshot which he said showed that the merchant had confirmed it had paid back the debits. But this alone wouldn't be enough for Revolut to end Mr B's claim which Revolut had referred for a chargeback. The chargeback had to go through its normal processes in a standard timescale. So I don't accept that Revolut could have done anything to speed up the chargeback process.

I have, however, looked at whether Revolut could have given Mr B a temporary credit, and whether it acted unfairly or unreasonably in the way it dealt with Mr B. Mr B asked specifically for this on 18 August, when he said *"Surely you could credit my account if you've been successful with the charge back and if it turns out to be unsuccessful then you'd claw it back from me. It will be successful though."*

No temporary credit was provided. I asked Revolut why it didn't offer this, given that Mr B had forcefully said on the chat messages that he wasn't able to eat. Revolut replied that it had passed the request to its chargeback team, which had refused a temporary credit on the grounds that it didn't know whether the outcome would be in Mr B's favour. It also said that as Mr B's account was in debit, a temporary credit wouldn't help as it would just cover the negative balance. And it said that putting sole responsibility on Revolut for any financial difficulties arising from the disputed transaction wasn't fair, and the chargeback wasn't a statutory right in any case.

I've checked Mr B's account, and certainly he had a low balance around that time, generally considerably under £100. Depending on when it was made, it appears that a temporary refund would have put him into credit, but only just. I can understand why Revolut didn't accept that Mr B's evidence proved that the chargeback would be successful – because a chargeback is never certain. I understand why Revolut refused the temporary credit here and there was no obligation on it to provide one. But equally, it could always have clawed a temporary refund back if the claim proved unsuccessful.

But importantly, here, I've seen no evidence from Mr B's account statements that he regularly used this account for living expenses including food and essential bills at around that time. If he had consistently done so, I'd have said that Revolut might have acted unfairly by failing to provide a temporary credit when Mr B had said he was in financial difficulties. There's no obligation for a bank to provide a temporary credit, though it may be fair to do so in certain circumstances, such as if Mr B normally and demonstrably paid his essential living expenses from the account, and said he was in financial difficulties. But the evidence of the statements shows that wasn't the case here.

Mr B has also complained about the service which Revolut provided after he contacted it on 1 August. I've read the chat messages, during which Mr B made it clear that he wasn't satisfied. I recognise that it would have been frustrating to receive the same reply repeatedly – that it was the specialist chargeback team that was dealing with it and no update was

available. I consider that some minor aspects of Revolut's service could have been better - for example, Revolut asked for the merchant's information when Mr B had already supplied it. But in terms of a substantive solution, there was little the chat advisers could do when they simply had no information from the chargeback, and weren't likely to get it until the chargeback process ended at the start of September. Its advisers remained polite and I think they tried their best in difficult circumstances. So I don't consider that Revolut need pay Mr B any compensation for the way in which it handled his chat messages or complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 29 June 2022.

Belinda Knight
Ombudsman