

The complaint

Ms G complains that Revolut Ltd hasn't done enough to help her try to recover the cost of a flight she couldn't board because of the Covid-19 pandemic.

What happened

In December 2020 Ms G bought flights to Portugal and back with separate airlines, flying out that same month and returning in January 2021. Ms G's complaint concerns the return flight from Portugal to the UK. Ms G bought this from a supplier I shall call R at a cost of around £105 using her Revolut debit card.

Because of subsequent restrictions on travelling introduced by both the UK and Portuguese Governments in response to the ongoing Covid-19 pandemic, Ms G was unable to take her flight to Portugal. This of course meant that she did not board her flight home.

Ms G spoke to Revolut and asked it to help her get a refund. Revolut told her it couldn't help and mistakenly referred her to an insurer it had ties with to see if she could claim via them.

Ms G complained to Revolut about this. It maintained its position that it couldn't help Ms G get her money back.

Our investigator said Revolut could have done more to help Ms G by explaining things to her better once she asked for help with a refund. But he didn't think this had caused Ms G to suffer a financial loss as a chargeback claim appeared destined to fail and that was the only way Revolut could have got Ms G's money back. He thought Revolut should pay Ms G compensation of £50 for the distress and inconvenience it caused her by not explaining things properly.

Revolut accepted the investigator's assessment. Ms G did not and asked an ombudsman to review her complaint. In summary she said it's not fair that she lost out through no fault of her own because of government restrictions.

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.

The Covid-19 pandemic brought with it many issues relating to travel which could not go ahead as planned. In the early days of the pandemic, it seems there were some poor practices by some suppliers, who were not refunding customers when they should have. In many instances, where the supplier hadn't refunded the cost of a service that didn't go ahead, customers could look to their bank for a refund and commonly the banks refunded customers where the supplier had failed to, when appropriate.

But the right to a refund when a holiday or flight hasn't happened as expected because of Covid-19 isn't automatic. It depends on the individual circumstances of each case and the legal position, which can be complicated. For example, if a service can legally go ahead in

another country but a consumer is prevented from accessing it because of government guidance in place at the time, then the entitlement to a refund from the supplier is far from clear.

Here, I've looked at the actions of the bank and whether it acted fairly and reasonably in the way it handled Ms G's request for help in getting her money back. This takes into account the circumstances of the failed trip and how the supplier acted, but there are also other considerations at play, such as the chargeback scheme rules a bank has to follow and its own obligations.

Where a consumer has paid for something on a debit card and seeks a refund, a bank can try to recover the money from the supplier through a process known as chargeback. While it is good practice for a bank to attempt a chargeback where the right exists and there is some prospect of success, the circumstances of a dispute means it won't always be appropriate for the bank to raise or further pursue a chargeback. There are grounds/dispute conditions set by the relevant card scheme and if these are not met a chargeback is unlikely to succeed.

Revolut didn't raise a chargeback for Ms G. It says this was because she didn't ask it to. But Ms G had been clear in her communications with Revolut in March 2021 that she was seeking a refund of a flight she'd been unable to board. So Revolut should have offered better advice to Ms G, like explaining for example why it didn't think there were valid grounds to raise a chargeback.

However, even if Revolut had raised a chargeback, it looked unlikely to succeed. The facts of Ms G's case did not fit with the card scheme dispute conditions for where services had not been provided.

This dispute ground had specific criteria which only resulted in a refund to Ms G if the service wasn't provided, rather than, for example Ms G not being able to board the flight because of Government restrictions – as set out in the guidance to the rules published by the card scheme.

I've not seen persuasive evidence the flight did not go ahead. It appears more likely Ms G was simply unable to board it because of restrictions which had prevented her from getting to Portugal in the first place.

Another dispute condition that might have been relevant is where a refund hasn't been provided in accordance with a supplier's cancellation or no-show policy. However, having looked at R's terms and conditions, no refund was due in the event Ms G did not board her flight in this case.

I know Ms G asked Revolut to look at her claim under Section 75 Consumer Credit Act 1974 ('Section 75'). This may have involved some different considerations to chargeback. But Section 75 does not apply to transactions paid for solely with a debit card. So Revolut couldn't have looked at Ms G's claim for a refund in this way.

I sympathise with Ms G that she was unable to board her flight through no fault of her own – especially seeing as the restrictions on travel to Portugal weren't announced until after she booked her trip. However, having considered the chargeback scheme rules and guidance, the circumstances of Ms G's complaint, and the extent of Revolut's obligations to Ms G in this case, its actions haven't caused her to suffer a financial loss.

As I've said however Revolut could have handled Ms G's request for a refund better because it didn't explain why a chargeback was unlikely to succeed. And it tried to push her towards an insurer she had no connection with.

Ms G suffered inconvenience as a result of this. The investigator recommended compensation of £50 which I find to be fair.

My final decision

For the reasons I have explained above my final decision is that I uphold Ms G's complaint in part. To put things right Revolut Ltd must pay Ms G compensation of £50 for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 5 October 2022.

Michael Ball
Ombudsman