

The complaint

Mr M complains that Revolut Ltd (“Revolut”) submitted a chargeback (on his behalf) in respect of a transaction he didn’t dispute, and this caused him to suffer a loss, distress and inconvenience.

What happened

On 2 December 2021 Mr M purchased a game from a company that I will call “O”, playable via an account he held with it. The cost of the game was 377.99 TRY.

On 2 December 2021 Mr M’s account with Revolut was debited with 377.99 TRY in respect of his purchase (transaction 1).

On 3 December 2021 Mr M’s account with Revolut was debited with £20.95 in respect of his purchase (transaction 2).

On, or shortly after, 3 December 2021 Mr M contacted O who confirmed to him that it had charged him only once for his purchase, this being 377.99 TRY (transaction 1) on 2 December 2021. On being advised of this Mr M confirmed to O that he would request Revolut raise a chargeback (on his behalf) in respect of the second charge debited to his account of £20.95 (transaction 2) on 3 December 2021.

On 5 December 2021 Mr M says he asked Revolut to raise a chargeback (on his behalf) in respect of transaction 2. However, Revolut says Mr M asked it to raise chargebacks (on his behalf) in respect of both transactions.

On 5 December 2021 Revolut says it created two chargeback requests for submission to O (the merchant) in due course.

On 20 December 2021 Revolut says Mr M advised it that he only wanted a chargeback raised (on his behalf) in respect of transaction 2. And on being advised of this it cancelled the pending chargeback request in respect of transaction 1 and submitted the pending chargeback request in respect of transaction 2.

On 22 December 2021 Mr M says he received an email from O to say that his account had been closed due to it having received a chargeback request (from Revolut).

In January 2022 Mr M complained to our service about how Revolut had handled his chargeback request and that request had caused him a loss, distress and inconvenience for which he would like to be fairly and reasonably compensated for.

Mr M’s complaint was considered by one of our investigators who came to the view that it should be upheld and that Revolut should pay Mr M £100 in compensation and provide him with an open letter that he could share with O explaining that he wasn’t at fault for the incorrect chargeback being raised, or for two chargebacks being raised instead of one.

Mr M accepted the investigator's view, but Revolut didn't. Revolut said it had only submitted one chargeback request (on Mr M's behalf) and the correct one so it shouldn't be held responsible for the loss, distress and inconvenience Mr M says he has been caused.

The investigator considered Revolut's response to his view but wasn't persuaded to change his mind. Therefore, Mr M's complaint was passed to me for review and decision. In August 2022 I issued a provisional decision. In summary I said:

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 that both parties have very strong feelings about this complaint. Both parties have provided detailed submissions in support of their respective views which I can confirm I've read and considered in their entirety. However, I trust that the parties will not take the fact that my findings focus on what I consider to be the central issues, and that they are expressed in considerably less detail, as a discourtesy. The purpose of my decision isn't to address every point raised. The purpose of my decision is to set out my conclusions and reasons for reaching them.

I would also point out that where the information I've got is incomplete, unclear, or contradictory, I've to base my decision on the balance of probabilities.

Based on what both parties have said and submitted I'm persuaded that:

- *Mr M's account was debited twice for the same purchase.*
- *Mr M took steps to establish with O what it had, or might have, done in respect of his purchase and O confirmed to him that it had only submitted one payment request to Revolut, this being for 377.99 TRY (transaction 1) on 2 December 2021.*
- *Because what O had told Mr M, he acted entirely reasonably in requesting that Revolut raise a chargeback on his behalf in respect of transaction 2.*
- *Mr M only ever asked Revolut to raise one chargeback on his behalf, not two, and this was in respect of transaction 2.*
- *There is no persuasive evidence that Mr M ever asked Revolut to raise two chargebacks (on his behalf).*
- *Revolut's communications with Mr M between 5 and 19 December 2021 were both confusing and misleading. This included advising Mr M that it was treating his request as being for two chargebacks (instead of one) and that his account with it was in a negative balance (when it could and should have been apparent as to why this was the case).*

Given what I say above, I can confirm that I'm satisfied that the service provided by Revolut fell below the standard Mr M was entitled to receive and for that he should be fairly and reasonably compensated. However, I'm not persuaded that Revolut ever submitted a chargeback in respect of transaction 1 as Mr M believes or understands.

Revolut has provided our service with system notes, which I summarise below:

Transaction 1 – 377.99 TRY

<i>Date</i>	<i>Action</i>
<i>5 December 2021</i>	<i>Chargeback request from Mr M noted</i>
<i>5 December 2021</i>	<i>Chargeback request created (pending submission to merchant)</i>
<i>20 December 2021</i>	<i>Chargeback changed from created (pending submission to merchant) to cancelled</i>

Transaction 2 – £20.95

<i>Date</i>	<i>Action</i>
<i>5 December 2021</i>	<i>Chargeback request from Mr M noted</i>
<i>5 December 2021</i>	<i>Chargeback request created (pending submission to merchant)</i>
<i>20 December 2021</i>	<i>Chargeback changed from created (pending submission to merchant) to disputed (with merchant)</i>
<i>20 December 2021</i>	<i>£21.16 temporarily credited to Mr M's account pending outcome of dispute raised (with merchant)</i>
<i>1 February 2022</i>	<i>Chargeback changed from disputed (with merchant) to won</i>
<i>1 February 2022</i>	<i>£21.16 credit to Mr M's account on 20 December 2021 changed from temporary to permanent</i>

Now I appreciate, given the timing of O's email saying his account had been closed, why Mr M believes or understands that an incorrect chargeback was raised, or that two chargebacks were raised instead of one. But I'm not persuaded that this was the case and Revolut, as it has submitted to our service, only ever submitted one chargeback request (on Mr M's behalf) and this was the 'correct one' (transaction 2). And because of my view in this respect I'm not persuaded it would be fair or reasonable to hold Revolut responsible for O's decision to close Mr M's account.

Given what I say above, what I now need to decide is what constitutes fair and reasonable compensation for Revolut to have to pay Mr M.

Taking everything into account, I think for its poor service Revolut should have to pay Mr M £50, but it need do nothing more (and that includes writing an open letter for Mr M to be able to share with O).

Mr M responded to my provisional findings to say, in summary, that he disagreed that Revolut only ever raised one chargeback (on his behalf) and that it should pay him £100 compensation as recommended by the investigator and which he had accepted.

Revolut didn't respond to my provisional findings by the date given for a response.

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 I said in my provisional decision I can understand why Mr M believes that Revolut submitted two chargebacks on his behalf rather than one. But having considered Revolut's system notes again (which I'm satisfied can be relied upon as being an accurate reflection of what happened), I remain of the view that on balance Revolut only raised one chargeback and that was the one Mr M wanted raising.

For the sake of completeness, I would add that I accept that O confirmed to Mr M that it had only requested payment of 377.99 TRY from Revolut and not payment of 377.99 TRY and £20.95. I also accept that O closed Mr M's account citing the reason that it had received a chargeback request (from Revolut).

But given that O only confirmed to Mr M it had received a chargeback (from Revolut), not two, it didn't confirm the amount of the chargeback raised (by Revolut) and what I say above regarding Revolut raising only one chargeback, and the chargeback Mr M wanted raising, I see no reason to change my provisional findings on this point. And for the avoidance of doubt, my findings on this point is that on balance Revolut only raised one chargeback and that was the one Mr M wanted raising.

I accept that the service Mr M received from Revolut was poor. But having considered this level of service again I can confirm that I remain of the view that Revolut need only compensate Mr M £50, not £100.

Given what I say above and given that Revolut didn't respond to my provisional findings (by the date I gave for a response) I can confirm that I see no good reason to depart from those findings and I now confirm them as final.

My final decision

My final decision is that Revolut Ltd must pay Mr M £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 October 2022.

Peter Cook
Ombudsman