

The complaint

Mr B complains Revolut Ltd gave him incorrect information about a payment he made on his Mastercard.

What happened

In April 2022, Mr B says he bought an item from a merchant for €120 and used his Revolut card to make this payment.

Mr B says he changed his mind after paying as he wasn't happy with the quality of the product. So he contacted the merchant who tried to refund him, but this was unsuccessful. The merchant advised Mr B to contact his bank, Revolut, to see if they could manually revert the transaction.

Mr B contacted Revolut via their online chat function on 6 April 2022 and has provided screenshots of the messages between him and Revolut. Mr B was initially told by a Revolut agent that they were unable to revert the transaction as it was in a pending state, which Revolut said meant it was still waiting for the merchant to confirm or revert the transaction. But that if the funds weren't reverted after eight days, Mr B could contact Revolut again so they could manually revert it. Revolut said manually reverting the transaction was only possible after this timeframe.

Mr B then contacted Revolut again two days later on 8 April 2022 about reverting the transaction. Revolut provided evidence of the online conversation Mr B had with their agent and this shows the agent asked Mr B to contact the merchant and ask for a six digit authorisation code of the transaction as well as confirmation that they won't claim the payment. Mr B responded and said the merchant wouldn't provide this as they are a small business. It was at this point the agent clarified to Mr B the payment couldn't be reverted manually – this could only happen if the payment was still pending. But in Mr B's case, the merchant had claimed the payment.

Next, Mr B was advised by the agent to fill out a form for a chargeback claim. Mr B says he completed the form and when he sent it back to Revolut, they said they needed to get information from the merchant. Mr B is unhappy with this as he was initially told the payment could be manually reverted. Mr B says Revolut gave him incorrect information and that he'd like Revolut to stop explaining how a payment process works. Mr B wants Revolut to accept their agent made a mistake in telling him the payment could be manually reverted and he's asked for a refund of the €120.

Revolut advised the chargeback process was a last resort and that while Mr B raised a chargeback for this payment on 8 April 2022, the dispute was cancelled because he didn't provide sufficient information to proceed with the claim. Revolut said they looked into the conversations Mr B had with their agent and acknowledged their agent ought to have explained the payment can only be manually reverted after eight days *if it was still pending*. But the payment had been claimed by the merchant. Revolut apologised for the confusion caused and refunded Mr B their account fee for two months, totalling around £14, on 20 April 2022.

Our Investigator looked into Mr B's concerns. In summary, she recognised Revolut ought to have explained things clearer in relation to what would happen after the eight days had lapsed. However, she didn't think this made a difference to the outcome of events as Mr B wasn't able to provide the six-digit code from the merchant. Our Investigator also said it was fair for Revolut to offer to raise a chargeback claim for Mr B but acknowledged he wasn't able to provide the information requested by Revolut for this claim. Overall, our Investigator felt the refund of the account fee for two months was fair for Revolut's lack of explanation. So, our Investigator didn't recommend Revolut do anything more.

Mr B disagreed. He said Revolut refunding two months' worth of account fees was nothing compared to the €120 he was supposed to get. So, the complaint has been passed to me to decide.

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 crux of Mr B's complaint is he's unhappy he was told by Revolut that the payment could be manually reverted, without the statement from the merchant confirming they wouldn't claim for the payment, after eight days. However, Revolut then didn't revert the payment and instead, asked Mr B for further information to consider his claim under the chargeback rules.

Revolut haven't disputed that their agent could have been better at explaining to Mr B that they could manually revert the payment after eight days in circumstances where the transaction was still pending. And I agree – I don't think it was unreasonable for Mr B to rely on the reassurance the agent gave on 6 April 2022 and I can understand the frustration caused when Mr B later found out the reversal wasn't possible as the payment had been accepted by the merchant. Revolut say they refunded Mr B two months' worth of account fees which I think is fair for the poor explanation and the frustration caused. However, I don't think this means Mr B gets an automatic refund of the €120 he paid, and I'll explain why.

I can see from the evidence of the communication between Mr B and Revolut that another agent clarified the process on 8 April 2022 (two days after Mr B's first contact with Revolut on 6 April 2022) – the agent explained that reverting the card payment after eight days can only be done if the transaction was still pending. So even though Mr B wasn't given this information initially, it had been clarified two days later which I don't think is a significant period of time.

In the same conversation, Mr B was advised to submit a chargeback form and was told that he would need to provide a very detailed description of the issue he was claiming about - including dates, documents such as an order and booking confirmation and any correspondence Mr B may have had with the merchant. The agent further advised Mr B he would need to provide as much detail about the transaction as possible. To explain, chargeback is the process by which a bank or credit card provider looks to resolve a dispute between a consumer and a merchant under the relevant card scheme. The rules under which a chargeback can be pursued are strict and are set out by the individual card scheme provider. Mr B told us he completed the chargeback form, so I've next thought about whether Revolut were fair to not pursue Mr B's chargeback claim after receiving the form.

Mr B completed the chargeback form and in this, said he wasn't happy with the product and that he'd asked the merchant for a refund. Mr B went on to say the merchant advised him to get in touch with his bank to get the payment reverted.

Revolut then responded to Mr B advising him that even though he had filled out a chargeback form, he hadn't clearly told them what the issue was. Revolut listed out what information they needed from Mr B which were the same things Mr B was told by the second agent on 8 April 2022. Revolut also invited Mr B to fill out their chargeback form again with the required details, but I haven't seen any evidence to suggest this was done.

Overall, I don't find what Revolut asked Mr B to provide in terms of details of his claim to be unreasonable. I say this because it's important for Revolut to get a better understanding of exactly what Mr B is claiming for as ultimately, the rules under which a chargeback can be pursued are strict. I wouldn't expect Revolut to raise a chargeback claim if there wasn't a reasonable prospect of success. And without further detail from Mr B, I don't think Revolut would have been able to properly assess Mr B's claim. Mr B may want to contact the merchant again to see if he can get a refund from them.

My final decision

For reasons explained above, I don't 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 7 April 2023.

Leanne McEvoy
Ombudsman