

The complaint

Ms V complains Revolut Ltd (Revolut) hasn't done enough to assist her in recovering funds she mistakenly paid to an unknown person.

What happened

In October 2021, Ms V needed to transfer money (£460) to her friend who I will refer to as T. She says the money was for medical treatment. T was also a customer of Revolut so she completed the transfer via their online banking app. Once the transaction was complete, Ms V realised it had been paid to the wrong person, she contacted Revolut immediately to try to recover the money.

Revolut said they had made several attempts to contact the recipient but they received no response. They told Ms V she should try contacting the person directly. She complained.

Revolut said before completing the transfer, Ms V was prompted to check the details of the person she wanted to pay and to make sure it was somebody she knew and trusted. They said they had tried to contact the recipient but without success. In conclusion they said they couldn't be held liable as the payment was authorised by Ms V and they had carried out her instruction. Given Ms V's vulnerability and health concerns, Revolut later paid £115 to her as a gesture of goodwill.

Ms V wants the full amount repaid to her. She also wants Revolut to update their app to show the full name and surname of their users to prevent this situation from happening again.

Unhappy with their response, the complaint was referred to our service. The investigator recommended the complaint wasn't upheld. She concluded Ms V had paid the wrong person based on their username and in line with the terms, Revolut hadn't done anything wrong by processing the transfer request. She also said Revolut had made reasonable attempts to contact the recipient to retrieve the money.

Ms V disagreed and maintained her position. She said had the app correctly outlined the full name of the person, she wouldn't have authorised the payment as she would've realised it wasn't the intended beneficiary, T. She also comments Revolut acted irresponsibly by saying she should try to contact the recipient directly by social media to try to recover the money.

As an agreement couldn't be reached, the complaint has been referred 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.

Having done so, I've decided not to uphold Ms V's complaint. I will explain why.

As Ms V wanted to transfer money to T (the intended beneficiary), who was also a customer of Revolut, this would be considered an instant transfer, meaning payment would be

received immediately. Based on Revolut's terms, such transfers can be made by a number of ways such as choosing people from the contacts list on the Revolut app, by using usernames or by using any other method provided by Revolut. Ms V said she was sent a link from T to make a payment (known as a payment link) and the recipient's name automatically came up so she assumed it was for T.

Revolut has checked this link provided by Ms V and confirmed it isn't a payment link but instead a referral link and I agree. I say this because when you follow it, it prompts you to join Revolut rather than make a payment. There is insufficient evidence for me to reasonably say Ms V received a payment link directly from T, nor am I persuaded the recipient's name automatically came up when she clicked it. On balance, I find it's more likely than not, Ms V chose from Revolut's contact list (which may have suggested the recipient's username) or she entered the username that she believed belong to T.

Revolut's terms say:

"The contacts you see in the Revolut app are taken from the names and phone numbers you have saved to your own phone. These names and numbers are not verified by us or anyone else. This means that if you have saved the wrong number or wrong name to your phone, you will pay the wrong person and may lose your money."

"The usernames you see in the Revolut app can look similar to other usernames and are able to be changed by individual users. We take steps to remove any inappropriate usernames, but these usernames are not verified by us or anyone else. This means that if you are not sure that the person is who they say they are, you may pay the wrong person and may lose your money"

It also goes on to say:

"We are not responsible if we make a payment to the person you tell us to, even if you gave us the wrong account number, username or phone number by mistake. However, if you ask us to, we'll try to get your money back for you. We may also try to get you information about the beneficiary so that you can try to get it back yourself (if the law allows us to). While we will try to do these things, we don't guarantee that we will, and in some cases we won't be able to".

Having read the above terms, it's clear the onus is on Ms V to make sure she pays the right person. She said the recipient's first name matched T but the surname wasn't showing in full on the app, just the initial (which was also the same as T's). By her own admission, she assumed the username belonged to T. While I can understand why she would think that, unfortunately that wasn't the case.

Revolut says Ms V would've seen a number of warnings about making sure the details were correct as they may not be able to recover money if it wasn't. They said Ms V would've had to confirm she understood the same before finalising the transaction therefore I'm satisfied she was made aware in advance about the consequences of not doing so. If Ms V was uncertain whether the username belonged to T or couldn't see the surname in full, I believe it would've been reasonable for her to have checked before proceeding. On that basis, I can't say Revolut did anything wrong or acted unfairly by carrying out her instruction to transfer the money.

In instances where a person makes an error in sending money, there is no guarantee the financial business will be able to retrieve the funds. However I would expect them to make reasonable attempts to do so such as contacting the recipient and/or their bank and to ask permission for the money to be returned. I must make it clear once the payment is cleared into a person's account, a financial business doesn't necessarily have the authority to take the money back. They may have to ask the recipient to do so, this is often referred to as a debit authority. In this case, I can see on the same day Ms V raised the error, Revolut tried to contact the recipient to ask about the payment. I can also see they made a few further attempts in November 2021 to contact the recipient but they received no response. Based on what I've seen, I'm satisfied Revolut made reasonable attempts to contact the recipient but unfortunately they received no response. Revolut also made Ms V of the same.

In situations where the money can't be recovered, I would generally expect the financial business to let the consumer know their other options such as pursuing the recipient directly and I can see that's what Revolut done. Ms V asked for the recipient's contact details but they said that wouldn't be possible. Due to data protection regulations, I believe Revolut acted fairly by not disclosing this information. While I accept Ms V wasn't happy that they suggested she use social media to find the recipient, I don't think it was wholly unreasonable for Revolut to suggest this as an option especially as Ms V already had the recipient's full name.

I'm aware Ms V wants Revolut to change their app to show their consumers' full names including surnames. However it's not my role or this service to tell Revolut to change their operating system or processes, that's better dealt with by the financial regulator. My role is to consider whether based on the circumstances of this case, has Revolut acted fairly and in line with their terms and I'm satisfied they have.

I note Revolut paid £115 as a gesture of goodwill. Given they hadn't made an error, they weren't required to pay this. But it appears they've decided to do so given Ms V's personal circumstances so I can't say they've acted unfairly. While I recognise it doesn't cover the full amount, I hope it goes some way to helping her. I'm sorry to hear the situation Ms V finds herself in especially as the money was needed for medical treatment, it's an unfortunate situation.

My final decision

For the reasons set out above, I've decided not to uphold Ms V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 18 April 2023.

Simona Reese
Ombudsman