

## **The complaint**

Mr I complains that Revolut Ltd won't return his funds that a third party bank rejected.

## **What happened**

Mr I made an international transfer through Revolut for \$4,244.30, however, a third party bank rejected the payment, but Mr I has not received these funds back yet. He wants Revolut to locate the funds and return them to his account. Mr I made a complaint to Revolut.

Revolut upheld Mr I's complaint. They said that after Mr I reached out to them on their chat facility, their support team checked and informed him that the transfer was rejected by the beneficiary bank on 24 October 2022 and the funds should be reverted within five business days. Revolut said transfer recalls are only performed on a best endeavour basis as they require the co-operation of corresponding and receiving banks, together with an approval from the beneficiary, so they didn't have a specific timeframe for the resolution of the issue. Due to the challenges and inconvenience of the situation, Revolut credited Mr I's Revolut account with £75. Mr I brought his complaint to our service.

Our investigator did not uphold Mr I's complaint. She said that she found no evidence that the reason Mr I's transfer was rejected was due to a Revolut error. She said Revolut initiated a recall as soon as they were made aware of the issue. Our investigator said the recall process is also dependent on the co-operation of the corresponding and receiving banks and Revolut's internal records show they have been proactively trying to locate the funds, which is what we'd expect them to do. Mr I asked for an ombudsman to review his complaint.

## **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.

I must be clear to Mr I that although there can be a number of financial institutions involved in an international transfer, including but not limited to a sending bank, an intermediary bank (or correspondent bank) and a recipient/beneficiary bank, I'm only able to consider the actions of Revolut as part of this complaint and not any other financial institutions involved. This is because Mr I's complaint is about Revolut.

Revolut's responsibility to Mr I here is to ensure that they process the transfer in accordance with the instructions he gave them. Once the money leaves them, they would not be in control of the funds or responsible for any actions of any other financial institutions here. Not every financial institution has a direct link with each other. So they may need to use intermediary or correspondent banks who do have links with each other to ensure the funds get to the correct destination.

Due to the payment Mr I made here, it would appear Revolut do not have a direct link with the recipient bank – the bank who holds the account of the beneficiary he wanted to pay (otherwise they would have paid the funds direct to them). And so they routed this money

through their correspondent bank who could continue the payment journey. I can see that the funds did go through to Revolut's correspondent bank and to the recipients correspondent's bank. So I'm satisfied that Revolut had done what they were required to do from their part of the payment journey.

But the evidence shows Mr I's payment was rejected on 24 October 2022. There is no reason given for the rejection and the evidence shows it wasn't Revolut who rejected the transfer. Unless the correspondent banks made Revolut aware that the payment was rejected, then they would not be aware of this unless Mr I informed them the beneficiary hadn't received his payment. That's what happened here. Mr I got in touch with Revolut to find out what happened to the payment he made.

So what I would expect Revolut to do here is to reach out to their correspondent bank to initiate a payment recall, which they did on 7 November 2022. I can see that they have sent messages to their correspondent bank on seven occasions from 7 November 2022-15 December 2022. The last message they received from their correspondent bank was on 26 November 2022. This message confirmed they were contacting the bank to retrieve the funds as per Revolut's request. Revolut even tried to contact the recipient bank's correspondent bank on at least six different occasions between 24 November 2022-4 January 2023, so I'm satisfied that they made a reasonable effort to retrieve Mr I's funds.

While I'm very sympathetic to the situation Mr I finds himself in, I'm not persuaded this was due to an error on Revolut's part. They have processed Mr I's payment in line with his instructions, they were not the bank that rejected the payment, and they tried to retrieve Mr I's funds on a best endeavour basis, making reasonable efforts to contact two correspondent banks involved in the transfer. And they have paid him £75 compensation despite not making an error, which is more than I could've awarded him in the circumstances. Mr I may wish to directly contact the recipient bank's correspondent bank in order to see if he can retrieve his funds. I'm aware that our investigator has already gave him their contact details. But it follows I don't require Revolut to do anything further.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 26 July 2023.

Gregory Sloanes  
**Ombudsman**