

The complaint

Mr D has complained that Revolut Ltd failed to carry out an international transfer correctly and that it has still not returned the funds to him.

What happened

In January 2022 Mr D transferred £7,000 from his Revolut account to his bank account abroad but the funds didn't arrive.

Revolut says it has tracked the funds as arriving at the recipient bank, who then rejected the payment for unspecified reasons. The payment was therefore shown as being on hold at the recipient bank on 24 January 2022. Usually in such cases the payment would bounce back within five days. When that didn't happen, it put a recall on the payment but it has never received any response from either the recipient bank nor its correspondent bank.

The recipient bank has told Mr D that it did not reject the payment. It says it never received it because Revolut didn't send the cover message that would allow the money to be credited. So the payment sat with its correspondent bank. More recently the recipient bank has told Mr D that Revolut asked for the funds to be returned and so he should contact Revolut.

Our investigator said she was unable to conclude that Revolut was at fault. Mr D disagrees with the investigator's opinion and so the complaint has been passed to me for a decision.

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.

This is a very difficult situation as Mr D has still not had his money back. But in looking at this complaint my focus is on whether Revolut is responsible for what has gone wrong.

International transfers often involve the money passing through lots of different hands. In this case it originated with Revolut who forwarded it to its partner bank. The money is then transferred to the recipient bank's correspondent bank and then finally on to the recipient bank. A system called SWIFT is used to carry out the transfer. In this case a SWIFT process called the cover method was used.

The cover method is a two-step process. Firstly, a message is sent to announce that the funds are coming. Then a second 'cover message' is sent which allows the funds to move between the correspondent accounts.

Although the recipient bank has said that the cover message was not sent, Revolut has provided copies of the necessary SWIFT messages being sent. Also, there is a tracker system that shows the funds arriving at the recipient bank.

Revolut is responsible for the transaction up to the point when it arrives at the recipient's correspondent bank, when it then becomes the recipient bank's responsibility. The cover message is what would have allowed the money to move from Revolut's partner bank to the

correspondent bank. Without it the funds would have stayed with the partner. And the recipient bank has confirmed that the funds arrived at its correspondent bank. So from that it's possible to conclude that it's more likely than not that Revolut carried out the transaction correctly, including providing the cover message.

Based on the available evidence, I'm satisfied that the funds did arrive at the recipient bank or its correspondent bank. So, I'm unable to conclude that there was an error in the way that Revolut carried out the transfer.

Revolut then tried to recall the payment. I've seen the SWIFT message that it sent to its partner bank asking them to do that. I've also seen copies of numerous messages that both the partner bank and Revolut sent to the recipient bank and its correspondent. There has never been any response to any of these messages. As I understand it, Revolut also wrote to the recipient bank but, again, with no response.

As Mr D was able to make contact with the recipient bank, Revolut asked him to get an explanation from them about why it wasn't responding to its SWIFT messages. It also gave him the reference number so that he could ask the recipient bank to respond. I'm unsure whether Mr D asked the recipient bank these direct questions but there has certainly been no response from them about this issue.

I can also see that Mr D asked the recipient bank to contact its correspondent bank about locating the funds. But again, I haven't seen that they did that or that they advised Mr D of any outcome about that, beyond saying that Revolut had asked for a recall.

In telling Mr D that and suggesting he should therefore contact Revolut to find out where the money is, they gave Mr D a copy of the SWIFT recall request. But that only proves that Revolut did ask for the recall. It is not proof that the recipient bank actioned it.

As it stands, Revolut's investigations cannot find any record of the refund being made. Clearly this situation has been made much more difficult due to the recipient bank and its correspondent bank failing to respond to any approaches by Revolut. The latest situation is that Revolut has asked Mr D to liaise with the recipient bank to provide the SWIFT message from them confirming that the recall was done. Or, if the refund was done via a different method, to provide proof of that. If that evidence is provided, Revolut will use it to try and locate the funds. I think this is a reasonable response by Revolut.

My final decision

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 July 2023.

Carole Clark
Ombudsman