

## **The complaint**

Miss S has complained that Revolut Ltd won't refund some money she paid, in what she says was a scam.

## **What happened**

Over the course of several months in 2023, Miss S paid around £4,700 to a garage, across a number of bank transfers from her Revolut account.

In 2024, Miss S reported this to Revolut as a scam. Miss S has explained that she contacted the garage herself, and had previously used them for a successful repair. These payments were for a further repair and a used car. The garage carried out the repairs, provided an itemised invoice, and did not damage the car, but Miss S has explained this didn't fix a bothersome clicking noise, which was her main reason for taking it in. She'd approached other garages about this repair too, but some had said they couldn't do it. The garage also did provide the used car, but Miss S has explained that it kept breaking down so she returned it. She says the garage has not yet provided the refund she's due for the used car. She feels they've scammed her. She would like Revolut to get the transfers refunded, or to try a chargeback or Section 75 claim.

Revolut thought this was a civil dispute, not a scam. They were unable to do a chargeback as these were not a card payments, nor a Section 75 claim as the payments were not made using credit. They didn't think they were otherwise liable for Miss S's payments.

Our Investigator looked into things independently and didn't uphold the complaint. Miss S didn't agree, so the complaint's 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.

I understand that Miss S has found dealing with the garage to be most stressful, and that she feels she's been scammed, for which she has my sympathy. I should explain that in this complaint against Revolut, I can only look at what Revolut are responsible for. I do not oversee the garage, and neither do Revolut.

Miss S raised her complaint on the basis that she'd been scammed. But whilst I can see she was not satisfied with the goods and services provided, I'm not persuaded she's been the victim of a scam. When we talk about scams, this specifically excludes "*private civil disputes, such as where a customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.*" And there is a high legal threshold or burden of proof to conclude that someone was intentionally trying to commit fraud.

Here, I'm afraid there's little to support Miss S's claim that the garage were intentionally defrauding her, as opposed to this being a civil dispute over the quality of goods and services and a delayed refund. While there were a few bad reviews for the garage online, overall the reviews were very positive. And while it is unusual that the garage has continued trading after the limited company was dissolved, I don't think that alone is sufficient proof that they were defrauding Miss S in this case.

Instead, Miss S appears to have a civil dispute with the garage. I say this for the following reasons:

- Miss S says she contacted the garage herself, along with other garages, for goods and services she was genuinely seeking. This was not a case where, for example, she was cold called and then pressured into buying services she hadn't sought
- Miss S had used the garage before successfully
- Many other customers had used the garage before successfully, and on the whole the reviews were very positive
- The garage was a real place, it did exist, and Miss S went in person. This is not a case where, for example, someone was impersonating a garage or taking money for a garage that didn't physically exist
- The garage was, until that year, a registered limited company and had been trading for years
- The garage had an established online presence
- The garage provided an itemised invoice
- The costs set out appear to be fairly normal and don't seem suspect
- There doesn't seem to be any dispute that the garage carried out the repairs set out, even if Miss S says this didn't fix the bothersome noise
- Other garages said they could not carry out those repairs, which implies they are not straightforward to do
- The garage did not damage the car
- There's no dispute that the garage provided the used car Miss S bought, even though she was dissatisfied with its quality
- The garage accepted the used car back
- It sounds like their delay in refunding Miss S may be from financial difficulties
- The garage kept in touch with Miss S for quite some time

In summary, there is insufficient evidence that this was a scam. Instead, the evidence points to this being a genuine merchant who really was providing goods and services – it's just that Miss S was unhappy with the goods and services provided, and has not been provided with a timely refund. It sounds likely that the garage was in financial difficulty, which may explain why they've not been able to refund Miss S and why they dissolved the limited company.

Further, even if I accepted this were a scam, under the Payment Services Regulations Miss S was still liable for payments she authorised in the first instance. The starting position in law is that banks are expected to process payments which a customer authorises them to make. And while Revolut should've been on the lookout for potentially fraudulent payments, a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments.

Here, the payments involved were not so exceptionally large that I'd have expected them to have been of particular concern to Revolut. Indeed, in the months before this, Miss S had made a number of payments of similar or even significantly larger amounts, so they were not particularly out of character for her account. The payments were spread out across multiple months, and were not a rapid series of payments which emptied her accounts. They went to the UK account of an established business. And they were authorised by the genuine customer. So I don't think the payments involved were so unusual or out of character that Revolut would've needed to intervene. And if this had really been a scam, then by the time Miss S reported the payments, it's most likely the money would've been long gone, so it's not likely Revolut could've recovered it. Revolut were not signed up to the CRM Code, so Miss S would not have been able to get her money back under that scheme, either.

Lastly, I appreciate that Miss S would like Revolut to have tried a chargeback or Section 75 claim. But chargebacks can only be made on card payments, and these were bank transfers. Similarly, Section 75 claims can only be made for purchases made using credit (e.g. using a credit card), but again these were bank transfers made using Miss S's own money. So Revolut were not allowed to make a claim under either of those schemes.

So while I'm sorry to hear about the trouble Miss S is having with the garage, I don't think Revolut can fairly be held responsible for the dispute between her and the garage. And so I can't fairly tell Revolut to refund Miss S's payments in this case. I understand that Miss S is taking the garage to court directly, which seems like an appropriate way to pursue her dispute with them.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint about Revolut Ltd.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 November 2024.

Adam Charles  
**Ombudsman**