

## **The complaint**

Mr N complains that Revolut Ltd hasn't refunded a payment he made.

## **What happened**

In late 2023, Mr N bought four smartphones and a vacuum cleaner from a merchant using his Revolut card. In total he spent over £6,000 on the five items. He says that the vacuum cleaner was never delivered and the box that arrived with the phones contained books instead of the phones. He says he tried to resolve the issue with the merchant and the delivery company, but both refused to help.

Mr N asked Revolut to complete a chargeback to obtain a refund for what he paid. However, the chargeback was defended by the merchant and Revolut didn't pursue it any further. Mr N complained about the way Revolut handled his chargeback request. He said that it had made errors in the way it had processed the chargeback causing delays and, ultimately, prevented him from obtaining a refund. Revolut didn't agree it had acted unfairly.

Our investigator didn't recommend the complaint be upheld. She was satisfied that Revolut hadn't acted unfairly in not pursuing the chargeback further. This was because the available evidence indicated that there was no reasonable prospect of success for a refund. A second investigator reviewed the complaint and reached broadly the same conclusion.

Mr N didn't agree, 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.

Mr N has provided substantial responses to both investigators that have reviewed his complaint, as well as providing detailed evidence to support his case. I want to assure Mr N that I have read and reviewed everything he has said and provided to us. However, my decision will only focus on what I consider to be the key issues of the dispute. If I don't comment on a particular point or piece of evidence, this is because I don't consider it to have made any material difference to the outcome I've reached.

Mr N asked Revolut to attempt a chargeback for the purchase he made. A chargeback is a way for payment settlement disputes to be resolved between card issuers (such as Revolut) and merchants. The chargeback process and its associated rules are governed by the relevant card scheme. In certain situations, such as where goods purchased are not received (as is alleged to have happened here), Revolut can attempt to recover the payment through the chargeback process.

A chargeback does not guarantee a refund. A merchant can defend the chargeback if it doesn't agree with it. A defended chargeback can be challenged and if no agreement is reached, Revolut could ask the card scheme to arbitrate on the outcome. Revolut are not obliged to process a chargeback or pursue one further all the way through to arbitration.

However, I would consider it good practice for it to do so where the right existed and there was a reasonable prospect of success.

Revolut did process a chargeback for Mr N initially. Given what he was alleging and based on the information and evidence he provided, I think Revolut acted fairly in attempting the chargeback. The merchant defended the chargeback attempt and provided evidence, including an image of the successful delivery. Based on this response, Revolut declined to take the chargeback any further as it concluded there was no reasonable prospect of success. I think that was a fair and reasonable response in the circumstances and I'll explain why.

While I note Mr N's concerns about the merchant's response, including (but not limited to) the fact that it did not categorically prove the correct items were delivered, I do think the available evidence overwhelmingly supported the view that the most likely conclusion was that Mr N did receive what he paid for. I don't think there was any reasonable basis to conclude that a further presentment of the chargeback or presenting it in a different manner or with different evidence from Mr N would have had any reasonable prospect of success.

I say this because the image of the delivery shows that a box the same shape and size of the vacuum cleaner Mr N ordered to be in the middle of his open door with someone standing there receiving it. On the floor, leaning against the outside of the door frame is the box which allegedly contained the books (rather than the ordered phones). Mr N has suggested that this larger box was a previous delivery he had taken and was simply moved in order to take receipt of the mobile phone delivery. However, I find this explanation both implausible and unpersuasive given the positioning of both boxes in the image.

Mr N had paid for next day delivery of all the items and he was required to provide a pin to the courier when he accepted the delivery to confirm all the items had been received. Given the delivery photo shows a box of the same shape and size as the vacuum cleaner in Mr N's doorway and Mr N confirmed receipt of all items by giving the pin, I'm satisfied there was clearly no reasonable prospect of success in pursuing a chargeback for failed delivery of the vacuum cleaner.

I note also that Revolut has shown that Mr N registered two new phones to his Revolut account shortly after the delivery, both matching the make and model of the ones he said he didn't receive from the merchant. One was registered the day after the delivery and the other four days after delivery. While Mr N has provided an explanation for this, I don't accept that explanation to have been persuasive enough to override the other available evidence indicating a successful delivery of the items.

Further, Mr N originally said that he had never ordered from this merchant before so had no idea what to expect in terms of the external packaging. However, the merchant has told us that a very similar order was placed around a year earlier by Mr N, once more for high value electrical items and a dispute was raised for non-receipt of those items at that time too. Taking all of this wider evidence into account, it is clear there was no reasonable prospect of success with a chargeback. Even if Revolut had pursued it further, the merchant would have likely continued to defend it. Had the chargeback been pursued to arbitration by the card scheme, I fail to see how the card scheme would ever have concluded anything other than in the merchant's favour.

Whilst I do accept it's possible Mr N didn't receive what he ordered, in my view, the available evidence strongly indicates that he did receive them. Therefore, I don't think Revolut acted unfairly or unreasonably in not pursuing the chargeback further. This is because I'm satisfied there was likely no reasonable prospect of success.

Lastly, Mr N has said that Revolut didn't administer the chargeback correctly. He has said, among other things, that it didn't process it promptly, it made mistakes, including cancelling the initial attempt and didn't take relevant evidence into consideration. I've seen from the chat logs between Mr N and Revolut that the process could have been handled better by Revolut. It seems it closed an initial chargeback request when it said Mr N didn't provide requested evidence. However, I've not seen anything to indicate Mr N failed to adhere to a specific request. So, I accept there were likely some processing errors which ultimately led to a delay in the chargeback being made.

However, overall, I don't think any errors by Revolut ultimately made any material difference here. This is because any delay didn't prevent a chargeback being made within the scheme time limits. Further, Revolut did attempt a chargeback as requested and after the response from the merchant was received it was clear there was no reasonable prospect of success in getting a refund. While I accept there may have been some delay in Mr N getting that answer, it hasn't materially changed the position he is now in.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 1 April 2025.

Tero Hiltunen  
**Ombudsman**