

The complaint

Ms N – director of C, a limited company – brings a complaint on its behalf against Revolut Ltd about how it has misleadingly advertised its business account as free, despite charging for certain features.

What happened

C took out a business account with Revolut which was advertised as being free. The account has a feature to upload receipts online in order to track and monitor expenses. When Ms N started uploading receipts – she found that C was being charged a fee for using this function. Ms N believed this to be contrary to relevant law and complained to Revolut.

Revolut responded to the complaint by offering to refund the charges that had been applied as a result of using the expenses feature. Revolut explained why the charges had been applied and how C could avoid incurring them. Revolut offered a further £25 to compensate C but Ms N declined this on its behalf, saying it was too low.

Ms N brought C's complaint to our service where Revolut made a proactive offer to C of a further £10. Ms N declined this, saying that Revolut's actions were illegal and based on an unfair term. So one of our investigators looked into the complaint and despite a number of requests, wasn't presented with any information from Revolut to show how the business account and relevant function was advertised or the terms that C had agreed to. On this basis, our investigator suggested that Revolut should pay C £100 in total for the impact on it.

Ms N agreed this was fair on C's behalf but Revolut didn't. It felt that it provided clear terms and conditions regarding account features and charges and any changes to these would have been communicated. So the complaint was 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.

Ms N has raised a number of points around the legality of the charges that Revolut applied here. I've considered these points - but only a court would be able to decide if Revolut has acted illegally or otherwise. This service is a free to use alternative to the court that is intended to resolve complaints quickly and informally. So while we will take account of relevant law and regulations (amongst other things) – my role is to decide on what's fair and reasonable in all the circumstances of this individual complaint.

It's not entirely clear what Ms N would have seen when opening C's account with Revolut. Despite our investigator asking on a number of occasions for this information, Revolut hasn't provided any detail around this. While I've considered all it has said in response to our service, it nonetheless means that I have to proceed to decide this complaint in the absence of this information that's been requested.

The general terms of the business account don't seem to mention the expenses function, or

the fact that the facility will attract a charge. The section of its website around business account plans equally isn't clear on where a fee will apply (or what that fee will be) in relation to this function for the account C has. The basic plan for the account that C has is described as costing '£0/month'. It looks like a customer would have to hover over an information marker down this page to see that a fee would apply for use of this specific facility though. This is the only information Revolut has provided about how a customer is told about this fee and based on this, I can see why Miss N may have missed that when applying for the account for C.

It may be that as a part of the application process there is further information given about the charges for this function, but Revolut hasn't supplied me with anything to support that being the case.

So I'm persuaded that it's more likely than not that Ms N wouldn't have been aware that this function would attract a fee for C. But Revolut seems to have reached the same conclusion in its final response letter where it says that its support team understood Ms N may not have been aware of the fee and refunded it. That's a helpful gesture and it means I don't think I need to focus any further on whether Revolut was entitled to apply a fee that it has now refunded.

What remains for me to decide is whether Revolut needs to take any further action to put things right here. Our investigator has suggested that Revolut should pay £100 (in total) to compensate C for the inconvenience of having to deal with this matter. I think that's fair and reasonable in the circumstances. It would no doubt have taken Ms N away from dealing with C's business matters to engage with Revolut about this matter. Given the relatively small amount of the charges in question – I think £100 is a fair and proportionate amount to put things right here.

My final decision

Revolut Ltd should pay C £100 for the inconvenience caused here.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 23 October 2024.

James Staples
Ombudsman