

## **The complaint**

Mr R complains about the way Revolut Ltd handled his chargeback claim.

## **What happened**

Mr R booked a rental car with a merchant, M, using his Revolut debit card to be collected on 18 March 2024 at an airport abroad. He said when he arrived at the airport to collect the car, he was told he couldn't have it. He said the reason wasn't explained. But he said he was told he would receive a refund for this once he had contacted the agency with which he had booked the car. He said he then went on to rent another car with the agency next door. Mr R raised a dispute with M.

In its final response Revolut said Mr R's dispute had been unsuccessful. It said M had provided documents that Mr R was a 'no show'. Mr R brought his complaint to this service. He said Revolut had made a mistake in that it had accepted the story from M, saying he hadn't shown up. He said he was present at the location to collect the car but wasn't given it for a reason relating to the administration.

Our investigator concluded that Revolut had acted fairly when dealing with Mr R's dispute. Mr R asked for a final decision from an ombudsman.

## **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 realise this will come as a disappointment to Mr R but having done so I won't be asking Revolut to do anything further for the reasons I've outlined below.

When Mr R brought his claim to Revolut it initiated the chargeback approach. Chargeback is a transaction reversal made to dispute card transactions and obtain a refund if there is a problem with the product or service. Chargeback rules are set by the card scheme, and not the card issuer. The rules can be quite strict.

It's important to say that chargeback is a voluntary scheme not a legal right, there is no automatic right to it, nor is it a guaranteed method of getting a refund. The card issuer, in this case Revolut, checks the nature of the claim against the possible chargeback reasons to check what evidence may be required and the timescales of the scheme. Card issuers don't have to submit claims. And will likely only do so where they believe there is evidence to support a successful chargeback claim.

After Revolut disputed the transaction, the merchant defended the claim. It said Mr R was a 'no show'. Mr R has said the claim that he was declined the rental due to a 'no show' is false. He said this is contrary to what the rental company itself reported to the bank. For the purposes of his rental agreement a 'no show' isn't simply not showing up to collect the car. According to rental conditions a 'no-show' occurs for the following reasons:

7. You didn't inform us about your cancellation prior to your pick-up time.
  8. You failed to pick up the car at the arranged time and date.
  9. You failed to provide the documentation that's required to pick up the car.
  10. You failed to provide a credit card in the main driver's name with enough available funds on it.
- In the event of any of the above, no refunds will be made to you.*

I've seen a copy of an email from M to Mr R dated 29 March. It says:

*"I would like to confirm the rental agent was unable to release the booked vehicle as you did not present a valid credit card at the desk. Your presented card is a debit card. A valid credit card in the lead driver's name is required for insurance reasons and must be presented on arrival as a security deposit is required until the vehicle is returned. As it is possible to pre-authorise this [sic] cards only, it is the industry standard practice to always require a credit card and not a debit or a charge card to secure the deposit."*

Mr R disputes this account. He said when he went to the other counter at the rental office to get a different car after he was refused by M he said he used his credit card to pay.

I've seen a copy of Mr R's debit card statement. I can see two payments to two different car hire companies -

- At 15.12 on 18 March 2024 there is a transaction for 114.25CHF to the merchant.
- At 20.28 on 18 March to 2024 there is a transaction to a hire car company of 4,398.14ZAR
- There is also a credit card payment on Mr R's statement to a car hire company for 1,320ZAR (65.44CHF)

I think it possible the merchant took payment for the rental but Mr R was unable to collect the car because either he didn't present his credit card or it's possible his credit card wasn't accepted by the car rental company. Mr R is understandably very frustrated by this and the fact that the merchant kept the payment. But my role is to look at what Revolut did.

I think it reasonable that Revolut accepted the merchant's defence and I don't think it acted unfairly. I'm sympathetic to the fact this is not the news Mr R would like but I'm satisfied Revolut hasn't done anything wrong.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 February 2025.

Maxine Sutton  
**Ombudsman**