

The complaint

Mr H complains as a director of M, a limited company, that Revolut Ltd has misled it in its advertising by paying to appear on search engines when someone searches for the terms "Business Banking". As it's not (or wasn't at the time) a bank he believes this is fraudulent as it doesn't provide the same level of protection as a bank.

What happened

Mr H referred several payments which he believed to be fraudulent on his personal account to Revolut. In the course of doing so he discovered that Revolut was not a bank. As M had applied for and been issued with a business account based on the fact that the directors of M believed that to be business banking, Mr H referred a complaint to the Financial Ombudsman Service.

Revolut explained that in the UK it operates under the Revolut Ltd entity as an e-money institution, which is authorised under the UK Electronic Money Regulations and regulated by the Financial Conduct Authority (FCA). It also said it had no influence over the third party websites or search engines, which may at times provide misleading information in regard to its services. It further said to always consult its official sources (such as the Revolut webpage, Help Centre articles or its Legal Agreements). It provided links to these, including its terms and conditions.

On referral to the Financial Ombudsman Service, our Investigator didn't uphold the complaint and said that overall he would not be asking Revolut to do anything further.

Mr H disagreed. He believed that the advertising was fraudulent and that we should refer Revolut to the FCA.

Revolut also disagreed. It said the complaint is without merit and should be dismissed as vexatious. It said while it is true that Revolut has recently obtained a banking license in the UK, it continues to operate as an e-money institution until further notice. This distinction has been consistently and clearly communicated to its customers.

Our Investigator said that he did not think that the complaint should be dismissed. The matter has been passed to me for an Ombudsman's consideration.

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 have to advise Mr H that we act as an alternative dispute resolution service. Our role is to consider complaints informally and to try to resolve those complaints. But my overall remit is to consider what in my opinion is fair and reasonable in the circumstances of the individual complaint.

To deal with Revolut's point first, while I have no discretion about our jurisdiction (i.e.

whether we can consider a complaint), I do have some discretion about whether it is appropriate for us to look into a complaint that is in our jurisdiction (which this one is).

Under the dispute resolution (DISP) rules contained in the FCA's handbook, which govern our service, DISP 3.3.4A (for complaints received after 9 July 2015) provides grounds on which we may dismiss a complaint without looking at the merits first. I've included the relevant section of DISP below:

"The Ombudsman may dismiss a complaint referred to the Financial Ombudsman Service on or after 9 July 2015 without considering its merits if the Ombudsman considers that: (1) the complaint is frivolous or vexatious".

Revolut has asked me to dismiss this complaint using this discretion.

Due to the fact that M had a business account with Revolut it was a customer of it. It was also a potential future customer in respect of account activities. Under the said DISP rules, a complaint is defined as:

"any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a person about the provision of, or failure to provide, a financial service...which: (a) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience."

Revolut has argued that the complaint is without merit and that it has always been clear in its advertising. However I refer to the wording above *"whether justified or not"*. Its points are relevant to a consideration of the merits of the complaint. Here I think that Mr H had concerns about the advertising and whether, Revolut not being a bank, it provided sufficient protection for M. I don't think that complaint is frivolous or vexatious. So I do think it right to consider the merits of the complaint.

As I understand it, when Mr H searched for the term "business banking" or "business bank" Revolut's name appears in the list. Mr H argues that as Revolut is paying for its name to appear when the search term is searched for it is being misleading and arguably fraudulent.

I don't think the fact of Revolut's name appearing when a search is carried out under those terms means Revolut, had acted in a misleading way. It clearly offers business accounts and when accessing its website and/or its App, it makes it clear what its position is. Specifically at no time does it state that it is a bank. It can carry out activities which a bank might describe as "banking". But it is regulated by the FCA for those activities. And to open an account with Revolut the customer would have to use the website or App. I don't think it would be realistic to expect Revolut to tell the search engine provider about how it should list the banks or other financial institutions it gives links to,

Mr H is free to contact the FCA himself and he has been given a link by an Investigator to do this. I have set out my view that I don't think there was any fraud involved in this case but again Mr H has been given the link by our Investigator to "Action Fraud".

As I have not upheld M's complaint, I won't carry out any further action in respect of Revolut.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 21 October 2024.

Ray Lawley
Ombudsman