

## **The complaint**

Mr W complains Revolut Ltd didn't do enough to help get a refund for a transaction made on his debit card.

## **What happened**

In May 2024, Mr W bought clothes from an online retailer paying with his Revolut debit card. Mr W says he didn't receive the clothes, so contacted the retailer, which initially said it would issue a refund for the transaction, but then closed his account and declined to offer a refund.

Mr W therefore contacted Revolut for help in getting a refund. Revolut raised a chargeback, which is a means of asking the retailer for a refund via the card scheme provider – Mastercard. The retailer defended the chargeback, which is to say it didn't agree a refund was due. It said the clothes had been delivered to the address Mr W provided.

Based on the evidence, Revolut said it couldn't challenge Mr W's chargeback further and closed it in the merchant's favour. Mr W consequently complained.

Revolut didn't agree it had done anything wrong. It said the retailers defence showed the clothes had been delivered, so it couldn't challenge the chargeback further.

Unhappy Mr W referred his concerns to our service. One of our Investigators looked into what happened and thought Revolut had acted reasonably in not challenging the chargeback further. They said Revolut had correctly followed the chargeback process and based on the evidence there wasn't a reasonable prospect of success for Mr W's dispute.

Mr W disagreed with our Investigator's conclusions, saying there wasn't evidence he'd received the clothes and as the packages had been left outside his house they could have been stolen. Mr W also said the retailer had agreed to issue a refund. As the matter couldn't be resolved, it'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'm looking here at the actions of Revolut and whether it acted fairly and reasonably in the way it handled Mr W's request for help in getting his money back. This will take into account the circumstances of the dispute and how the retailer has acted, but there are other considerations, such as the card scheme rules, which Revolut must follow and its own obligations.

Mr W paid for the clothes using his debit card. This meant the only realistic option available to Revolut to get his money back was to engage with a process known as chargeback.

The chargeback process provides a way for Revolut to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the retailer and effectively asks for

the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme (Mastercard) and if these are not met, a chargeback is unlikely to succeed. The process provides an opportunity for a retailer to provide a defence to the chargeback and its own evidence in support of that defence. If the retailer continues to defend the chargeback, Revolut can either accept that defence, if it believes it's valid, or, it can ask the card scheme to decide who gets to keep the money – usually referred to as arbitration.

In this decision I think it's important to set out, it isn't for me to decide the underlying chargeback dispute, rather my decision is limited to whether I think Revolut acted reasonably against its responsibilities in the chargeback process.

Revolut raised the chargeback on behalf of Mr W. The retailer defended the transaction, which is to say it didn't agree a refund was due. So, my decision focuses on whether Revolut acted reasonably in the steps it took after this.

The chargeback was raised under reason code "*Goods or Services Not Provided*". The retailer's defence was that the clothes had been delivered to the correct address alongside a photo of the packages outside the front door. I note Mr W's comments that this doesn't show he received the clothes, but in order for Revolut to challenge the dispute further, it would need evidence to show the retailer hadn't done what was required of it, which it didn't have.

It isn't a requirement that Revolut must progress every dispute through the full chargeback process. Rather I'd expect it to make a decision, based on the card scheme rules and the evidence both parties had provided. While I note everything Mr W has provided, I think Revolut was reasonable in concluding it didn't have sufficient evidence to dispute the chargeback further. I say this as both parties had disputed the others version of events with evidence to support each version. On this basis, I think Revolut acted fairly in handling Mr W's chargeback claim and in deciding not to take it any further based on the evidence available.

Mr W also says the retailer had agreed a refund. However it later withdrew this offer, so this wouldn't have been an avenue through which Revolut could have challenged the dispute further, as the retailer was no longer agreeing a refund was due.

In conclusion, while I appreciate this answer is likely to come as a disappointment to Mr W, I don't uphold this complaint. I think Revolut fairly processed his chargeback and was reasonable in its decision to accept the retailer's defence and close the claim.

### **My final decision**

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 9 May 2025.

Christopher Convery  
**Ombudsman**