

The complaint

Miss T complains that Revolut Ltd processed a contactless card payment, even though she had disabled the card's contactless functionality.

What happened

On 6 October 2023 a payment of £1.75 was taken from Miss T's account as a result of a contactless payment to Transport for London ("TfL"). Miss T said the payment should not have been made, because she had used the Revolut app to disable that function. She sought an explanation from Revolut.

Revolut said that in some circumstances contactless payments were made offline and might be processed at a later date, rather than in real time. In such cases, a payment made before contactless payments had been disabled might be processed after they were disabled.

Believing, incorrectly, that Miss T was disputing the payment, Revolut processed a chargeback request, which led to a refund of the payment.

Miss T was unhappy with the explanation given. She thought that it was unclear and that Revolut should have done more to explain that contactless payments might still be processed, even when a customer had taken steps to prevent them.

Revolut acknowledged that its handling of the matter had not been satisfactory. In particular, it had tried to call Miss T outside the times she had said she would be available. It paid her £25 in recognition of that.

Miss T referred the matter to this service. Following our involvement, Revolut offered to pay Miss T a further £50. She did not accept that offer and, following further enquiries, Revolut said that its records showed that the contactless payment functionality on her card had been enabled between 5 and 13 October 2023; that is, the payment of 6 October 2023 had been correctly processed.

One of our investigators considered what had happened and issued a preliminary assessment of the case. He thought that the offer of £50 was reasonable in the circumstances and recommended that Miss T accept it. Miss T said that Revolut must have changed her card settings, as she was sure the payment had gone through when contactless payments were disabled. She commented too that, if this was Revolut's case, it should have been made very much sooner than it had been. She asked that an ombudsman review the case.

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 should say first of all that Miss T's submissions have been quite detailed. My own comments will be rather shorter, in keeping with the role of the Financial Ombudsman Service as an informal dispute resolution service.

I note as well that Miss T would like Revolut to change some of its procedures – for example, to make clearer the information it provides about contactless payments. My role however is to consider and resolve individual complaints, not to tell banks how they should operate.

Miss T has said too that there have been similar issues with her account since she raised this complaint. I have however considered only the issues which were included in the complaint about events in and around October 2023, not any issues which might have arisen later.

Revolut has asked that some of the evidence which it has submitted be kept confidential and not be disclosed to Miss T. This service can accept evidence in confidence where it considers it appropriate to do so (DISP3.5.9(2)R). Having considered carefully the nature of the evidence in this case, I am satisfied that it is appropriate to accept some of it in confidence.

Miss T has explained that she enabled and disabled the contactless payment on her card from time to time, and it was disabled on 6 October 2023. Revolut's records indicate however that it was enabled at that time, and that Miss T was responsible for that. On balance, I think it more likely that Revolut's evidence is correct on this point. That is, the payment was processed correctly, having been made when contactless payments had been enabled by Miss T.

I am satisfied however that Miss T genuinely believed that the payment had been processed when contactless payments had been disabled and that she was making a legitimate enquiry about how that happened.

I have considered carefully the points which Miss T made when making her enquiry, in particular through Revolut's messaging service. At no point she did ever suggest she was disputing having made the payment or having received services in return. She also made it very clear that she was not seeking a refund or asking Revolut to challenge the payment through the chargeback process. She simply wanted an explanation about what had happened.

In my view, the appropriate response would have been for Revolut to explain that its records indicated that contactless payments were enabled at the relevant time. Miss T might well have challenged that, but it does not appear that Revolut even checked that point until the case had been with this service for several months. Instead, it suggested that the issue had arisen because TfL had processed an offline payment some time after it had been authorised. That explanation does not now appear to have been correct and was, therefore, not at all helpful.

In addition, Miss T was very clear in saying that she was not disputing the payment and even more clear that she did not want Revolut to make a chargeback claim – which she said she would regard as fraudulent. Revolut nevertheless went ahead.

In my view, Revolut's handling of the initial query about the payment fell well short of what I would expect. It simply failed to address the points which Miss T was making or to carry out a proper investigation into the payment which Miss T was asking about. It was not until November 2024 that Revolut suggested that contactless payments were in fact enabled at the relevant time and provided evidence to support that.

In summary, therefore, I am satisfied that there was no error in processing the payment in the first place. However, Revolut should have investigated properly and explained the position to Miss T. And it should not have made a chargeback request.

In deciding what is a fair and reasonable resolution, I must take into account all the circumstances. They include Miss T's actions. It is apparent from Revolut's records that a number of contactless payments to TfL were declined. That indicates that Miss T disabled contactless payments but continued to try to use her card to make them. In considering what's fair and reasonable, I think I must have in mind that, to some extent at least, Miss T was in a position to avoid the problem – by not using the card for contactless payments she did not want to go through. It is also relevant in my view that the payment which triggered the complaint was for a small amount and was not disputed. The financial impact on Miss T was minimal – although I can see that the emotional impact was rather greater.

Putting things right

Taking all of this into account, I agree with the investigator Revolut's offer of a further £50 is fair. I will however make a formal award, so that Miss T can enforce it, should that be necessary.

My final decision

My final decision is that, to resolve Miss T's complaint in full, Revolut Ltd should pay her a further £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 February 2025.

Mike Ingram

Ombudsman