

The complaint

Miss C on behalf of business “L” complains about the service received from Revolut Ltd (“Revolut”) in tracing a missing transfer of \$35,000 that she sent to L’s business account.

What happened

Miss C sent a transfer of US\$35,000 to L’s business account held with Revolut on 19 September 2024. When the payment wasn’t credited as expected Miss C contacted Revolut on 24 September via its webchat providing a copy of the wire payment details. Revolut confirmed the payment had been sent to the correct bank account - Revolut’s partner “M” as provided by Revolut - but said it didn’t see any payment coming in for the amount sent and directed Miss C to approach the sender bank stating that only the sending bank has the authority to trace the payment to see what’s going on.

Miss C did as she was advised and the sender bank raised two traces on the transfer and tried to recall the payment but received no response from the receiving bank. Miss C again approached Revolut about this on 7 October sharing a trace message which stated that the beneficiary claims non receipt of funds.

Revolut raised the issue with its payments team and said it would update Miss C within one business day. Despite chasing Revolut on a daily basis it failed to provide Miss C with any update regarding the missing transfer stating that its payments team hadn’t responded. And so Miss C raised a complaint with Revolut about this on 17 October.

Revolut didn’t uphold L’s complaint. It said it wasn’t able to trace incoming transfers or transfers that haven’t reached it and that the responsibility for ensuring the payments arrival at Revolut lies within the sending bank’s scope. It says it initiated contact with the sending bank to try locate the transfer but failed to receive a response and that in cases such as this the sending bank needs to trace the payment or recall the transfer. Revolut wrongly confirmed that an amount of \$35,000 had now been successfully credited to the account on 18 October – but this was incorrect and wasn’t the missing transfer.

Miss C was dissatisfied with this and so brought the complaint to this service.

As Revolut wrongly believed the transfer had been credited to L’s account when it hadn’t – possibly due to another payment for the same amount and from the same sending account being received - it had closed its investigation and so a new investigation was opened on 24 October following Miss C chasing Revolut up on the missing funds.

On 25 October through webchat Miss C asked Revolut to explain its relationship with M as the sending bank had confirmed the funds were with them and M’s bank and account details were the payment instructions provided to her by Revolut for making the transfer. Revolut confirmed that M was its intermediary banking partner for Swift payments to be processed.

Revolut explained that it had sent chasers to its partner bank M who processes the payments but says it hadn’t received a response. Contradictory to this on 29 October Miss C provided a message to Revolut showing indeed that M had received the funds and had

reached out to Revolut. And as the funds had been received it was no longer possible for them to be recalled by the sending bank.

Despite this Revolut again suggested Miss C ask the sender to recall the funds and stated it would update her once the matter was investigated.

Revolut's timeline of events provided to this service record that on 30 October "The partner (M) has submitted a ticket for investigation to their IT team". And that following this Revolut sent numerous chasers to M but received no response. And Miss C despite continually chasing Revolut received no new information or updates.

Revolut say that the funds were received by it on 13 November. Miss C provided Revolut with a screenshot of her account showing the funds being received on the same day into L's account and then reverted and asked Revolut to explain.

Revolut confirmed its new US banking partner was having issues since L's account had been migrated to it and that due to the time it would take to get fixed the funds were reverted but offered to credit the reverted funds to L's GBP or EUR account which was agreed by Miss C and done on 19 November.

One of our investigators looked into Miss C's concerns and thought that the transfer in question was held up by Revolut's banking partner but didn't think Revolut should bear the responsibility for this as the banking partner was a third party and it wasn't Revolut directly doing the wrongdoing. They thought Revolut had done all it could by escalating the issue to the payments team and sending chasers and as it found a solution to get the funds to L's account there was nothing further Revolut needed to do.

Miss C was dissatisfied with this as Revolut confirmed the hold-up was due to an issue on its side and has asked for an ombudsman's decision.

I issued my provisional decision on 4 February 2025. In my provisional decision, I explained why I was proposing to uphold L's complaint. I invited both parties to let me have any further submissions before I reached a final decision and while Revolut has provided further submissions this didn't change the overall outcome of my decision.

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've outlined above what I consider to be the relevant facts based on all the evidence I've received from both Miss C and Revolut and believe to be an accurate reflection of what has happened.

In my provisional decision I said that:

"My role is to look at the problems L has experienced and see if Revolut has made a mistake or done anything wrong. If it has, I would seek – if possible - to put L back in the position it would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable."

Since Miss C brought L's complaint to this service it has become clear that the delay in the crediting of the funds was down to a change in banking partner on Revolut's part and through no fault of Miss C or the sending bank. Indeed, Revolut confirmed that Miss C had sent the funds to the correct account and that there was a delay in its partner bank providing it with information and the payment wasn't processed until 13 November.

But that is not to say Revolut's initial advice was wrong. I agree the first point of call in instances such as these would be to contact the sending bank to trace or recall the payment and was the right approach to take.

Miss C took Revolut's advice and asked the sender bank to both trace and recall the payment but as this was unsuccessful and the sender bank failed to get a positive response, Miss C approached Revolut again on 7 October where she was told the issue would be escalated to its payments team and she would get an update in one business day. It was from this point I think the service Revolut provided was poor.

Despite repeatedly chasing Revolut Miss C failed to get any sort of update until around six weeks later. Instead Revolut wrongly stated the funds had been credited and closed its investigation. It then repeatedly told Miss C it was the sender bank's problem and only it could trace the funds despite Miss C confirming that Revolut's partner bank had received the funds and so a recall could no longer be made.

Revolut say it raised the issue with its partner bank and chased it for a response on numerous occasions but that until its partner bank responded it couldn't do anything more. But M is Revolut's partner or intermediary bank and the only reason it is involved in this transaction is because of its relationship with Revolut. So I think technically M is acting as Revolut's agent and therefore Revolut can be held responsible for the acts or omissions of M.

I don't think merely chasing M for a response is good enough and absolves Revolut from all responsibility. Despite Miss C doing exactly what Revolut asked in approaching the sending bank and providing it with copies of communications I can't see that Revolut did anything itself to find out exactly where the money was or what the holdup was despite six weeks passing. Or that there was any proper investigation into what happened, or that there was any clear two-way dialogue between Revolut and M about what was happening.

I accept that sometimes things don't run smoothly and it is reasonable to expect on occasion that technical issues will occur. But that's not an excuse for failing to provide proper customer service and keeping customers informed about what it is doing to assist in finding a not insignificant amount of money.

So I currently think that there has been a service failing on Revolut's part in that it failed to properly communicate with its partner bank M and investigate what had happened to L's funds.

Fortunately, L has now received the missing funds so is in the place it would be if Revolut hadn't done anything wrong and there doesn't appear to have been any direct financial loss as a consequence of this. But I do think some compensation is warranted here. Miss C has had to spend a considerable amount of time chasing this matter up with Revolut, at times she was ignored and at times had to repeat herself and ultimately had to bring L's complaint to this service.

And while I can't compensate Miss C for any distress and inconvenience she's suffered personally – as she is not the complainant here L is – I do think as a result of Revolut's failings L has suffered some administrative inconvenience. And so I currently think Revolut should pay L £300 in recognition of this.”

Revolut in its response to this wished to clarify that it did not receive the funds until 13 November and that once received it worked around the clock to credit the funds to L's

account on 18 November and that the migration to a new partner explains this five-day gap but not the lapse of time since the issue was reported on 7 October through to 13 November. And so it's unreasonable to not hold the sending bank responsible for this delay.

But the sending bank Revolut refers to is its partner bank M. And as I explained in my provisional decision by virtue of M being its partner bank and this relationship it is responsible for its interactions with it regarding Revolut's products and services. M is only involved in the transaction because of this relationship and I so don't understand why Revolut says it doesn't have a direct relationship with it.

It's Revolut's choice as to who it uses as its banking partner. Indeed, this is demonstrated by the fact Revolut changed its banking partner – M - on 12 November explaining to Miss C this would ensure smoother payment transfers in the future.

From the information I've seen M had received the funds as early as 25 October, but they weren't found or processed until 13 November and credited to L's account on 19 November. I think it was the lack of any proper two-way communication and collaboration between Revolut and M – its partner at the time – that caused this delay. And so I think it is unreasonable not to hold Revolut responsible for this.

Furthermore, it was due to an error on Revolut's part that the initial investigation was wrongly closed to begin with and that a proper investigation into locating the funds wasn't launched until discovery of this on 24 October.

So after reconsidering all the information and evidence I see no reason to depart from the conclusions set out in my provisional decision and it follows that I uphold this complaint and direct Revolut to pay L £300 in compensation.

My final decision

For the reasons I've explained I uphold Miss C's complaint brought on behalf of L and direct Revolut Ltd to compensate L £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 31 March 2025.

Caroline Davies
Ombudsman