

## **The complaint**

Mrs C complains that Revolut Ltd didn't do enough to help her when she told it about a dispute she had with a merchant over services paid for using her Revolut debit card.

## **What happened**

In September 2024 Mrs C paid €3809.60 for a hotel with the merchant I'll call "X". Mrs C paid for three rooms over a four-night stay. On her booking confirmation I can see she booked two "*Luxury room with sea view balcony*" and one "*Deluxe Sea View Veranda suite*". The accommodation was booked for six adults including Mrs C.

When Mrs C and her party arrived at the hotel, she informed the hotel that there were now one 5 members of her party (including herself). She has since been refunded an amount for the sixth person and this aspect of her complaint has been resolved.

However, Mrs C and her party had a number of concerns with the rooms they were provided with. She argues that they weren't given the sea view rooms they paid for, and that the accommodation was not luxury or positioned where she thought they would be in the hotel. In her room, Mrs C had problems with noise early in the morning and late at night and her balcony door did not close properly. She also found the air conditioning couldn't be lowered any further resulting in her needing to open the balcony door at night to cool the room (increasing the noise problems). Two of the rooms had whirlpools which she hadn't booked, and she didn't think this room type was a fair alternative to the rooms she had booked. In addition, her husband and adult son's room had a double bed and so they needed to share a bed.

Mrs C complained to the hotel about the problems experienced. The hotel offered alternative rooms (one of which incurred an additional fee). However, Mrs C didn't accept these as she felt that neither were reflective of her original booking. The hotel sent maintenance staff to fix the door and explained that the air conditioning couldn't be adjusted due to their sustainability policy.

During her stay Mrs C reached out to Revolut to stop the payment she had made from being processed. Revolut explained that it couldn't stop the payment and she would need to dispute it when she got home.

When she returned home Mrs C disputed the payment with Revolut. Revolut considered her claim, but didn't think it would be successful. So Revolut didn't raise a chargeback. Revolut explained to Mrs C that a chargeback of this nature, for goods/ services not as described, can only be raised for the cancelled/ unused portion of the service. Unhappy with Revolut's response, Mrs C referred her complaint to our service.

One of our investigators considered the complaint but didn't think it should be upheld. She didn't think Revolut had acted unfairly by not raising the chargeback. Mrs C disagreed with this and asked for the complaint to be passed to an ombudsman for a decision.

I reviewed the complaint and issued a provisional decision which said:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so, I'm not intending to uphold this complaint. I appreciate this will be disappointing to Mrs C.*

*I've read everything that the parties have said, but I'll concentrate my comments on what I think is relevant. If I don't comment on a specific point it's not because I've failed to consider it, but because I don't think I need to comment in order to reach a fair and reasonable outcome. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.*

*A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, where goods or services are defective, or where goods or services aren't as described. In this particular case the appropriate reason, would have been goods and services not as described.*

*There's no automatic right to a chargeback; the chargeback process doesn't give consumers legal rights; and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to succeed. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.*

*Under the relevant chargeback rules for goods/ services not as described, only the "unused portion" of the payment could be claimed. I have reviewed the chargeback rules and guidance issued by card scheme providers to better understand how the unused portion is likely to be interpreted in relation to hotel stays. Examples involving hotel stays tend to suggest, a refund can only be claimed where someone hasn't stayed at the hotel (because, for example it wasn't as described.) So it's likely a refund would only be paid for the number of nights Mrs C and her party didn't stay at the hotel. My understanding is that Mrs C and her party stayed for the full duration of their stay and so I think it's unlikely her chargeback would have been successful. I therefore don't think Mrs C's chargeback had any real prospect of success, so I don't think Revolut acted unfairly by not raising the chargeback.*

*I sympathise with the challenges Mrs C and her party had during this hotel stay. However, the chargeback process has strict rules and even where Mrs C might not think she's been treated fairly, it can still result in an unsuccessful outcome.*

*Mrs C has highlighted a previous decision she received from this service where her complaint was upheld. Mrs C feels these are similar circumstances so she can't understand why this complaint hasn't been upheld. I think it's important to explain that we look at each case individually on its merits and just because one of her chargeback complaints has been upheld, this doesn't mean that her subsequent complaint will be. My understanding of her previous complaint is that she was sold a full day excursion on a boat. However, the actual duration was significantly shorter and there were various other problems with the excursion. The ombudsman concluded that due to the nature of this service, it couldn't be cancelled and Mrs C could evidence that she had requested a refund. However, in this case Mrs C and her party chose to remain at the hotel for the full duration of their stay. I appreciate there may have been difficulties with moving to another hotel and so a move may not have been practical, but I don't agree that the circumstances are the same or that Mrs C and her party couldn't have sourced alternative accommodation. I therefore think, as I've explained above, that in this case the chargeback was unlikely to be successful and I can't say Revolut acted unfairly by not raising it.*

*Mrs C has asked why, when she contacted Revolut during her holiday, she wasn't told she should move hotels in order to have a successful chargeback. Revolut has provided copies of the messages it had with Mrs C over its chat function during her holiday. I can see Mrs C initially contacted Revolut to stop the payment to the hotel being made or raise a s.75 Consumer Credit Act 1974 claim. Revolut explained why the payment couldn't be stopped at that stage. It also explained that the best way to resolve the dispute was to try and reach an agreement with the merchant. And I agree this would be the best course of action if possible. However, it said that if this didn't result in a successful outcome, then to gather evidence of the merchant's response and to raise a claim when she was home. I think this is reasonable advice given Mrs C was querying stopping the payment or raising s.75 CCA claim. I'm also not persuaded that over a chat function, and with limited information, it was reasonable for Revolut to be able to investigate and advise Mrs C how she could make a successful chargeback claim using a particular outcome reason. So again, I don't think Revolut has treated Mrs C unfairly in this regard.*

*Mrs C has asked on a number of occasions how she can protect herself going forward. However as explained, we are not an advisory service and so cannot give Mrs C advice on this matter. Mrs C will need to seek her own independent advice if she chooses to.*

Mrs C has made a number of points in response. Revolut hasn't provided a response.

### **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.

Having done so, whilst I've considered everything Mrs C has said in response to my provisional decision, I'm still not persuaded to uphold this complaint.

As explained in my provisional decision, which is detailed above and forms part of this decision, I don't think Mrs C's chargeback claim had a realistic prospect of success. So I don't think Revolut acted unfairly by not raising it. As I've explained, under goods and services not as described, it is only the "unused portion" of the service that could be refunded. Mrs C and her family stayed at the merchant hotel for the duration of the booking and so there is no unused portion to refund.

I do see Mrs C's point that moving hotels may not have seemed practical at the time. And that this may have caused her additional loss, as she would have incurred the cost of a new hotel without knowing if she would be refunded for the initial booking in question. (So she therefore feels it could be argued that she hasn't mitigated her loss). But a chargeback isn't decided on the merits of Mrs C's case against the hotel (the merchant). They are decided based on the scheme rules and as I explained in my provisional decision, I think it's likely this chargeback would have been unsuccessful based on the scheme rules and guidance I've seen. So I don't think Revolut acted unfairly by not raising it.

Mrs C has provided an example of another ombudsman's decision by this service. Each case is decided independently based on the individual circumstances of the complaint. So whilst I've read the decision she has provided, it can't influence the decision I make on this complaint.

Miss C feels that Revolut should have told her when she raised the dispute that she couldn't raise a s.75 CCA claim. She argues she could then have asked for the payment to be refunded onto her card and used a credit card to make the payment. However, this is an argument made with the benefit of hindsight. I think if it was important to Mrs C to have s.75 CCA rights in relation to this payment then she could have checked this herself before deciding how to make the payment. Beyond general advice, I don't think it's reasonable over a chat function for Revolut to be able to tell Mrs C what specific steps she needed to take to

have a successful chargeback or s.75 CCA claim.

I have noted Mrs C's argument that she was overcharged and one less person joined them on the trip than was initially booked. Mrs C feels this hasn't been considered. However, Mrs C has said she has already received a refund for this amount from the merchant. So as I explained in my provisional decision, there's nothing further to consider in relation to this.

Finally, Mrs C has raised arguments about Revolut's buyer protection policy. She feels Revolut has breached its own policies. The process she is referring to is Revolut's own dispute resolution process where Revolut Pay digital wallet is used. There are criteria which need to be satisfied in order for this to apply, such as the consumer using Revolut Pay and the merchant being signed up to receive payments through it. I'm not persuaded this is the case here. But in any event, Mrs C raised a chargeback and then a subsequent complaint about the handling of that chargeback, which was referred to our service. She hasn't raised a complaint about this separate buyers protection policy so she would need to raise this with Revolut in the first instance.

I appreciate Mrs C has put a great deal of time and effort into this complaint and as I said in my provisional decision, I am sympathetic to the experience she's had whilst staying at the hotel in question. However, I don't think Revolut acted unfairly in how it handled this claim and so I can't uphold her complaint.

### **My final decision**

For the reasons explained I don't uphold Mrs C's complaint against Revolut Ltd

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 23 April 2025.

Claire Lisle  
**Ombudsman**