

## **The complaint**

Mr T complains that Revolut Ltd didn't appeal a rejected chargeback claim when he thinks it ought to have done and he has lost out as a result.

## **What happened**

Mr T made two card payments, on 29 January 2024 and 1 February 2024, totalling £1,131.49, using his Revolut card. The payments were to a merchant which was offering online trading services. He says that part of the agreement with the merchant was that if certain conditions were fulfilled, he was entitled to a percentage of profits he made using the trading account.

He says he met these conditions and tried to collect the payment he thought he was entitled to, but the merchant refused to pay.

Mr T contacted Revolut on 3 March 2024 and Revolut raised chargeback claims for the two transactions. But the claims were rejected by the merchant, which sent evidence to support its rejection of the chargeback claims.

When it received the evidence from the merchant, Revolut decided not to pursue the chargeback claims further.

Mr T complained to Revolut. He says Revolut ought to have escalated the chargeback dispute to arbitration, which was the next available step in the chargeback process, under the relevant card scheme rules. He says if Revolut had escalated his claims to arbitration, he would have won and would have received a refund of the two payments. He says the merchant submitted false evidence to the card scheme and he also believes the merchant is operating a scam. In particular, he has referred to online reviews from other customers about the merchant which might indicate it was operating a scam.

Revolut says the card payments were authorised, so it couldn't raise fraud chargeback claims under the card scheme rules, because that was only possible where the card payments had not been authorised. Instead, it raised dispute chargebacks, on the basis that the services provided by the merchant were allegedly not as described. The chargebacks were raised promptly but as they were defended by the merchant, with supporting evidence, it decided not to pursue them further. It doesn't consider it did anything wrong.

Our investigator said she had seen no evidence the transactions were part of a scam. She considered Revolut had followed good industry practice by raising the chargeback claims for Mr T. Once the claims were defended by the merchant, she thought it was reasonable for Revolut to decide that there wasn't a prospect of the claims succeeding and not to pursue the claims further.

Mr T maintains that the claims could have been escalated to arbitration and if Revolut had done this and submitted his evidence, he would have received refunds.

The complaint has been passed to me for an ombudsman's 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.

Mr T has said he thinks the merchant is operating a scam.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

There is no question here that Mr T authorised the payments. But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in January and February 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Having considered everything, I'm not persuaded there is sufficient evidence to show this was a scam and in any event I'm not persuaded Revolut would have had sufficient reason to have intervened to prevent the transactions.

The two payments were relatively small, each for around £565 and the account had been open for some time. The transactions do not seem out of character compared to previous transactions on the account and there is very little that would have indicated to Revolut that they might be associated with fraud.

## **Chargeback**

I consider it was reasonable for Revolut to have raised chargeback claims when Mr T first approached it on 3 March 2024. I also consider it was reasonable for Revolut to have decided not to pursue the claims further once the claims had been defended by the merchant, as I'll explain.

The next step available under the relevant card scheme rules would have been to escalate the claims to arbitration. The merchant had provided evidence to support its position, in the form of excerpts from its terms and conditions and its version of events. It was clear that at least some of the services had been provided in line with the terms and conditions, such as the registering and opening of the account and providing the trading service. The dispute was about the circumstances in which Mr T might be entitled to payments from the merchant for his trading activities, but there doesn't appear to have been clear evidence at the time that Mr T was entitled to a payment. It appears there was only incomplete excerpts of the terms and conditions, some screenshots from the trading account and some other documents.

I have also considered the online reviews of the merchant that Mr T has referred to, but all appear to post-date Revolut's decision.

In all the circumstances, I consider it was reasonable for Revolut to have reached the conclusion that it thought there was little prospect of the claim succeeding, based on the limited evidence available and the fact the merchant was defending the claims.

### **My final decision**

I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 25 July 2025.

Greg Barham  
**Ombudsman**