

The complaint

Ms U complains that Revolut Ltd is holding her liable for a transaction which she says she didn't authorise. She also complains about the service she received when she disputed the transaction.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

On 5 March 2025, Ms U discovered she'd been charged £201.60 by "X" for a 'premium service' that she didn't have. Her attempts to resolve the matter directly with X were unsuccessful and so she asked Revolut to raise a chargeback dispute. Revolut provided Ms U with a provisional refund, but X said the transaction was authorised and so Revolut reclaimed the refund.

When Ms U complained to Revolut, it said it had provided all the available evidence to support the case, but X provided supporting documents and so it was unable to proceed with the dispute. It said she'd been notified that the provisional credit would be reclaimed if the chargeback was unsuccessful.

Ms U wasn't satisfied and so she complained to this service. She explained that in March 2024, she purchased a one-year premium subscription with 'X' and immediately after paying, she cancelled the subscription to ensure it wouldn't auto-renew for a second year. Despite this, X charged her for a renewal.

She explained that she was unhappy with Revolut's decision to close her chargeback case, explaining that it didn't notify her about the outcome of the dispute, allow her to see the evidence provided by X, or allow her to provide a counter argument before it closed the dispute. In addition, it reversed the provisional refund without any prior notification, which meant she didn't have an opportunity to manage her finances and top up her account.

Instead, it converted funds from other currency accounts to cover the negative balance. She said she wanted the transaction to be refunded, £500 compensation for the impact of Revolut's failings, and an apology.

Responding to the complaint, Revolut said Ms U was notified of the outcome by email the same day, and the provisional credit was reclaimed.

Our investigator has recommended that the complaint should be upheld. She was satisfied Ms U's card details were used to set up a continuous payment authority in March 2024 when she authorised a payment to 'X' for the premium service. However, Ms U had said she cancelled the subscription soon after taking it out to ensure it didn't automatically renew.

Our investigator noted Ms U had said she didn't receive an email confirmation after cancelling the subscription, but she had produced evidence that she only had a standard account, and our investigator was satisfied this supported that she had cancelled the

premium service. She further explained that we would expect a merchant to send a reminder prior to renewing any kind of subscription to make sure the customer is aware and consenting to the continuous payment authority and that X hadn't shown it had done this or that Ms U was receiving the premium service. So, she wasn't satisfied that Revolut had shown Ms U had authorised the payment and she recommended it should refund the payment.

Regarding the service Ms U had received from Revolut, our investigator acknowledged that the removal of the provisional refund had taken Ms U into an unarranged overdraft and that Revolut had converted and transferred money between Ms U's accounts less than half an hour after the account became overdrawn. She didn't think it was fair that Revolut done this without giving Ms U time to resolve the situation herself and she recommended it should pay her £50 compensation for the inconvenience this caused.

Revolut has asked for the complaint to be reviewed by an Ombudsman.

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, I've reached the same conclusion as our investigator. And for largely the same reasons.

Authorisation

Authorisation has two limbs – authentication and consent. So, Revolut needs to show the transaction was authenticated as well as showing Ms U consented to it.

Authentication

Revolut has shown Ms U's card details were used to set up a continuous payment authority in March 2024 when she authorised a payment to 'X'. So, I'm satisfied it was authenticated.

Consent

Ms U has said she withdrew consent under the continuous payment authority when she cancelled the subscription immediately after paying for the one-year premium subscription.

She's explained she didn't receive a confirmation email, and I accept she might not have followed the cancellation process correctly, but the fact she has produced evidence to show doesn't have a premium account strongly suggests this isn't the case. So, I'm satisfied, on balance, that the premium subscription was cancelled.

Overall and having carefully considered the circumstances, I'm satisfied Ms U cancelled the subscription in March 2024 and therefore she didn't consent to the disputed transaction. Because of this, I'm not satisfied Revolut has shown that she authorised the transaction and so I agree with our investigator that it should refund the transaction.

The chargeback claim

Having found that the transaction wasn't authorised, I don't intend to consider whether Revolut acted fairly when it withdrew the chargeback claim. I accept Revolut did notify Ms U that the provisional refund might be reclaimed if the dispute was unsuccessful and that its terms and conditions did allow it to transfer funds between accounts, but I agree with our

investigator that the communication at the conclusion of the claim and around the transfer of funds into the account when the provisional refund was reclaimed could have been better and I'm satisfied that £50 compensation is fair in the circumstances.

My final decision

My final decision is that Revolut Ltd should:

- refund £201.60.
- pay 8% simple interest* per year, from the respective dates of loss to the date of settlement.
- pay £50 compensation.

*If Revolut Ltd deducts tax in relation to the interest element of this award it should provide Ms U with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms U to accept or reject my decision before 20 March 2026.

Carolyn Bonnell
Ombudsman