DRN-5775327

The complaint

Ms F complains Revolut Ltd (Revolut) should have progressed her chargeback claim against a course provider further; by not doing so, she's missed out on obtaining a full refund.

What happened

I issued my provisional decision on this complaint in July this year. An extract from that provisional decision is set out below.

On around 31 May 2024, Ms F paid $1,977 USD with her personal Revolut debit card for a six-month online course provided by a business and marketing coach (who I'll refer to as "C") through her limited liability company.

The course provided access to online training materials. It also included one-to-one coaching calls and three live group coaching calls with C.

Ms F said the course was substandard and mentioned there were broken weblinks to the training materials, much of which was poorly edited. But she was primarily concerned about two of the three live "group" calls she attended:

- *The second group call took place on 10 July 2024. Like the first group call, it involved multiple attendees. However, Ms F felt this second call was inadequate as it mainly involved C marketing one of her other courses, instead of focusing on the content of the course Ms F bought.*
- *The third group call took place on 14 August 2024. Ms F said this wasn't a "group" call as advertised, as she was the only attendee. It was effectively a private one-to-one call with C.*

As the main reason she bought the course was for the "group" calls, she asked C for a refund as she didn't feel she received what she paid for.

C didn't agree to a refund. So on 16 October 2024, Ms F asked Revolut to raise a chargeback on her behalf as she didn't believe she received what was advertised. Revolut subsequently raised the claim on around 23 October 2024.

C defended the claim in late October 2024. Revolut reviewed all the evidence and in November 2024 decided the chargeback didn't have reasonable prospects of success, so it didn't take the chargeback further.

Ms F said Revolut should have challenged C's evidence and asked for copies of the group calls. She felt Revolut's failure to do so caused her to lose the chargeback. She raised a complaint and unhappy with Revolut's response she referred it to the Financial Ombudsman.

Our investigator agreed with Revolut that the chargeback claim was unlikely to succeed on the available evidence. She also said the customer service Revolut provided was adequate. As Ms F disagreed, the complaint has come to me for a decision.

What I've provisionally 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.

Firstly, I'm very aware that I've summarised this complaint in less detail than the parties have and I've done so using my own words. I'm not going to respond to every point made. No discourtesy is intended by this. Instead, I've focused on what I think are the key issues here.

Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Secondly, it's important to note that Revolut didn't supply the online course. Its role is limited to what would reasonably be expected of it as a provider of financial services. In that respect I consider the chargeback process to be particularly relevant here, so I will focus on how the chargeback claim was handled when deciding if Revolut acted fairly.

<u>Chargeback</u>

When someone buys something with their debit card, and something goes wrong, the card issuer can sometimes help them obtain a refund by raising a chargeback on their behalf. There's no obligation for a card issuer to raise a chargeback for a customer – but I'd expect it to do so if a chargeback has reasonable prospects of success.

Likewise, if a chargeback claim is unlikely to succeed, I wouldn't find it unreasonable for a card issuer to decline raising one. Or if during the chargeback process it looks like the claim probably won't succeed, I don't think it would be unreasonable for a card issuer to discontinue it rather than pushing the claim to a card scheme arbitrator.

The rules governing the chargeback process are set by the relevant card scheme – in this case, that would be Mastercard. These rules set out strict conditions that must be satisfied for a chargeback claim to be successful. I'd expect a card issuer like Revolut to apply the scheme rules correctly and conduct the chargeback process fairly.

As the crux of Ms F's claim is about a provided service that wasn't as described, the most relevant of Mastercard's reason codes is "Goods or Services Were Either Not as Described or Defective", which I understand is the code Revolut used in raising the claim.

For claims under this reason code, the rules require Ms F to provide documents in support of her claim, and encourage her to supply documentation that supports any allegations of a provided service not conforming to its description. From what I've seen, I don't think Ms F's claim and supporting evidence was particularly strong. And after reviewing what C provided, I agree with Revolut and our investigator Ms F's claim was unlikely to succeed. I'll explain.

<u>Second live group call</u>

Ms F said the second group call was poor quality, as it largely involved marketing and upselling another course, instead of focusing on the course she bought.

I don't doubt the call wasn't to Ms F's satisfaction. But beyond the live call being described as a "coaching" call, there's nothing else that specifically describes in detail the content of the call — or anything to indicate the level of quality a call attendee ought to expect.

I appreciate the lack of a detailed description makes it difficult for Ms F to show the live group call as provided wasn't as described. Based on her claim, she'd likely have to sufficiently evidence the second call was not a "coaching" call. However, as such a conclusion relies on a great deal of subjectivity about what would adequately constitute "coaching", I don't think this claim point was likely to succeed on the evidence available.

Third live group call

Ms F's strongest point is that the third session was described as a "group" call, yet she was the sole participant. She offered Revolut a recording to prove this. However, C already agreed in her evidence that Ms F was the only attendee and had received 40 minutes of uninterrupted coaching. So I don't think a recording would add anything here.

Where a consumer claims a service didn't conform to its description, a Mastercard chargeback is unlikely to succeed unless the merchant's description creates a clear promise that is not met. Here, C said the relevant sessions were "live group coaching calls"; she did not set a minimum head-count or guarantee that at least one other person would attend. Attendance was clearly voluntary and plainly outside C's control — a fact that both parties would have understood when Ms F signed up.

Taking that context into account, a reasonable consumer would read "live group coaching calls" as describing its format — a session capable of accommodating several attendees, and dependent on those attendees showing up — rather than a guarantee of numbers. The call Ms F received still met that description: it was live, interactive, attended by C, and hosted on a platform where others could have joined.

On that basis, I don't think the service was misdescribed. That's not to say Ms F wasn't sorely disappointed. But I don't think C failed to deliver what was contractually agreed simply because Ms F turned out to be the only attendee.

I cannot say for sure if a Mastercard arbitrator would have come to the same conclusions if the chargeback had progressed to that stage. But for the reasons I've given above, I think it's unlikely they would have interpreted the phrase "group call" as narrowly as Ms F has.

As Revolut pointed out, Ms F also made full use of all three Group calls. Although that doesn't mean the calls provided were as described, her continued use of the Group call format does make her claim weaker than a situation where she had stopped using them.

Overall, I don't think her claim had reasonable prospects of success, and I don't find that Revolut acted unfairly by reaching that same conclusion.

Progressing the chargeback claim further

Ms F said Revolut should have asked C for the group call recordings. She also said Revolut ought to have objected to C's defence on the basis that it was weak.

Although Revolut is entitled to challenge C's defence, I haven't seen anything in the chargeback process that compels C or her acquirer to provide specific evidence such as call recordings. That limitation constrains what Revolut is reasonably able to do here.

I accept it's possible Revolut could have cited the absence of the call recordings as a weakness in C's defence and taken things further, as requested by Ms F. But for the same reasons as above, I don't think it was unreasonable of Revolut to discontinue the chargeback process, as taking things further would have unlikely made a material difference.

I also don't think Revolut asking for the call recordings would have likely resulted in C providing them. Firstly, the Mastercard chargeback system doesn't accept video or audio files, so C wouldn't be able to provide them. Secondly, C and her acquirer would unlikely provide further information unless there was a need to. As Ms F's chargeback claim was already weak on the current evidence, I don't think further information was ever forthcoming.

In short, I don't find Revolut acted unfairly in the way it handled the chargeback process. It wasn't unreasonable for it to discontinue the chargeback process, and I think taking the claim further would have unlikely resulted in a different outcome.

<u>Other customer service issues</u>

Ms F also complained about the quality of Revolut's customer service outside its chargeback team, from around October to December 2024.

I have reviewed the full web-chat history and other correspondence. Revolut's service was not flawless and, on occasion, it understandably frustrated Ms F. For example:

- *Revolut twice asked Ms F to repeat information she already provided when she first submitted her claim, which would have made her doubt whether her claim had been read and handled properly.*

- *One customer service agent strongly implied the chargeback had been mishandled and hinted that compensation was due on multiple occasions. During one call, she said "there's no reason why you wouldn't win this [claim]". The agent was empathetic, but I think her comments went too far and raised Ms F's expectations of compensation and caused unnecessary extra disappointment. The comments also caused confusion over whether Revolut agreed there were claims handling errors.*

- *On several other occasions, the agent misled Ms F into believing it was Mastercard, rather than Revolut, who decided the chargeback couldn't proceed further. That's not the case. Revolut discontinued the chargeback because it didn't think it would succeed within the strict limitations of Mastercard's chargeback rules.*

I also recognise Ms F also had to deal with chatbots and several different agents, making it more difficult to engage with Revolut. While that can feel impersonal and inefficient, card issuers commonly use these methods and they do not, on their own, amount to poor service.

I've not detailed every single thing that's gone wrong, but I can assure both parties I've carefully reviewed all the communication between them.

Compensation isn't a science, but in deciding what's fair I've considered the guidance on our website and the circumstances here. I've kept in mind that there's always going to be some element of frustration and time spent with chargeback claims, disappointment caused by the actions of C, and disappointment that the chargeback outcome hasn't gone Ms F's way. I cannot fairly attribute these to Revolut's actions.

Taking everything together, I'm satisfied Revolut handled the claim competently overall. However, the mis-steps above caused Ms F some avoidable distress and inconvenience. I think that distress was also exacerbated because she had been dealing with a recent grievance. In line with our published guidance, I consider £150 to be fair and reasonable redress for the adverse impact Revolut's poor service had on Ms F.

I know Ms F won't be happy with this outcome, and I do have sympathy for Ms F given how strongly she feels about her claim. I appreciate she spent a significant amount of money that she thought she would get back but now isn't. But I do hope the reasons I've given at least make clear why I don't think Revolut acted unfairly by declining to progress the chargeback.

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.

Revolut accepted my provisional decision. Ms F did not.

In summary, Ms F maintains that because she was the only attendee during the third "group" call, she didn't receive the service she paid for. She says that, properly applying the relevant chargeback rules and law, her claim should have succeeded. She wants Revolut to refund the $1,977 USD she paid, and to pay additional compensation for mishandling her claim.

I recognise I've only briefly summarised Ms F's four pages of submissions. I want to assure Ms F I've carefully considered everything she said.

Much of what Ms F raised repeats points I've already addressed. Where that's the case, I haven't covered them again in the same detail. Instead, I've focused on what I consider is key to explaining my findings and reaching a fair outcome. That isn't intended as a discourtesy — it reflects my role in resolving disputes with minimum formality.

While I have sympathy for Ms F's circumstances, I'm still minded to maintain my original conclusion for the reasons set out in my provisional decision and below.

<u>Chargeback</u>

The chargeback process is governed by Mastercard's rules. Those rules don't incorporate the statutory provisions Ms F cited, such as the Consumer Rights Act 2015 (CRA). A court might therefore reach a different outcome on the same issue. I've kept this limitation in mind when considering the chargeback's prospects of success.

Revolut raised the chargeback under Mastercard's reason code "Goods or Services Were Either Not as Described or Defective", for the full amount Ms F paid. Whether such a claim succeeds largely depends on Ms F providing sufficient evidence that the service materially differed from its description so as to justify a full refund. Both parties agree the third live group coaching call was attended only by Ms F. The question is whether that means she didn't receive the advertised "group" call.

I accept Ms F enrolled in the course for peer interaction, shared insight and the dynamic exchange a group call can offer — benefits a one-to-one session doesn't provide. However, I haven't seen those particular benefits advertised in C's course description or follow-up emails, so I don't consider them determinative here.

Instead, the calls are described, in minimal terms, as "live group coaching" calls. There's no particular emphasis on hearing from or collaborating with other like-minded individuals. The impression from the description is that the core benefit is direct access to coaching from an expert in business and marketing. That access might be exclusive on a one-to-one call, or more diluted on a group call.

I don't think it can reasonably be said that, simply because the third group call became a one-to-one call due to a lack of other attendees, the core benefit advertised wasn't provided.

Equally, it could be said Ms F's greater access to a coach meant the third call was upgraded.

I say that while mindful of the analogies Ms F relied on as examples of services not being as described, including:

- A "guided city tour" where the guide didn't show up; and
- A "two-hour group workshop" that turned into a ten-minute solo chat.

Ms F says refunds would be clearly justified in these situations, and that hers is similar. I see her point, but I consider those poor analogies because, in those examples, the core service advertised wasn't provided at all. A reasonable person would clearly expect the guide to attend the tour they run and for a "two-hour" workshop to last two hours.

A closer analogy would be a "guided city group tour" where the guide does attend, only one person shows up, that person completes the full tour, and then seeks a refund through chargeback because they received a private rather than a "group" tour. Given the sole attendee benefited from the guide's expertise for the full tour, I think it's unlikely that a chargeback claim would succeed simply because the attendee didn't experience peer interaction or dynamic group exchanges — features that likewise aren't advertised.

For similar reasons, and after taking a holistic view of C's course description, I consider the "live group coaching calls" in Ms F's situation to simply involve live access to a business and marketing coach's expertise as the core feature. In this particular context, I think "group" describes the call's capacity for multiple attendees, and isn't a guarantee of numbers.

It's possible a Mastercard arbitrator might have reached a different outcome had the claim progressed that far. But for the reasons above — and because Ms F already used a substantial part of the course — I think that's unlikely.

I accept Ms F's point that using the course doesn't necessarily mean she received what she paid for. She was unhappy from the start and throughout the call. However, continued use of a service can weaken a chargeback claim evidentially.

A Mastercard arbitrator is more likely to view a consumer who stops after a single bad experience as having a clearer, more straightforward claim for a full refund than someone who uses the service — because continued participation suggests value was still being derived. I don't think it was unreasonable for Revolut to conclude that Ms F's continued participation in the calls, in addition to her use of the online course, weakened her claim.

For these reasons, and for those in my provisional decision, which forms part of this final decision, I don't think the claim had reasonable prospects of success. I therefore don't find Revolut's decision to stop the chargeback process unfair.

I recognise Ms F feels she's due additional compensation. But nothing in her further submissions persuades me to depart from the position I set out in detail provisionally. I therefore still direct Revolut to pay Ms F £150 for the distress and inconvenience caused by its poor service while handling her claim.

My final decision

My final decision is that I partly uphold this complaint and direct Revolut Ltd to:

- Pay Ms F £150 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I’m required to ask Ms F to accept or reject my decision before 24 September 2025.

Alex Watts
Ombudsman