

The complaint

Mr J complains that Revolut Ltd (Revolut) has treated him unfairly regarding a transaction on his debit card for holiday accommodation.

What happened

On 2 March 2025 Mr J paid £321.56 to a booking platform, who I'll call B, using his Revolut debit card. The payment was made to book accommodation in Poland for 10 nights between 9 and 19 March 2025.

Mr J says the accommodation did not have the levels of cleanliness he expected. He further says that he experienced bites on his body soon after arrival and on 14 March 2025, he found live bed bugs. He reported this issue on 15 March 2025 to the accommodation host via B. On 17 March 2025, the host informed Mr J that he would have to leave, and he was forced to find alternate accommodation at the last moment. The host offered to refund him the price of the unused nights and 10% of the overall cost as compensation, however he did not receive these funds.

Mr J promptly raised a dispute to Revolut on 20 March 2025. Revolut raised a chargeback dispute for the full amount paid for the accommodation; however B provided a defence. On review, Revolut decided to pursue the matter to pre-arbitration but only for the unused portion of the service. This resulted in a successful chargeback dispute and Mr J received a refund of £64 for the nights not used between when he was asked to leave the accommodation and the end of the booking.

Unhappy with this, Mr J brought his complaint to our service. He said he lost money for a service that was not provided to a satisfactory standard. He experienced discomfort, stress, had to find alternate accommodation at extra cost to him and experienced emotional distress and inconvenience in having to raise a dispute. Mr J felt Revolut had failed to adequately assess the legitimacy of his dispute and asked for a full refund of the amount paid to B, reimbursement of additional accommodation costs and an apology for the way in which his dispute was handled.

Our investigator reviewed matters and ultimately said she didn't find that Revolut had treated Mr J unfairly in the way in which this dispute had been handled. Our investigator found that a chargeback would only have been successful for the unused portion of the service and Revolut had secured a refund of this amount for Mr J.

Unhappy with this outcome, Mr J asked for an Ombudsman to consider his complaint. He said the Mastercard rules are opaque, inconsistently applied, and not accessible to consumers. The reliance upon such rules leaves him as a consumer without proper protection and they cannot be relied upon to deny justice. Mr J says the property was dangerous and uninhabitable from the start and he has shown that his case has merit. Mr J also provided further information about his personal circumstances and the danger that being evicted from the accommodation put him in. So, the complaint has now been passed to me to decide.

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 would like to start by saying that I have provided a brief summary of the events that occurred above. I intend no discourtesy by this and can assure both parties that I have taken all the information provided into consideration when reaching a decision on this complaint.

In this decision, 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. Our rules allow me to do this, and this reflects the nature of our service as a free and informal alternative to the courts.

Chargeback is a voluntary scheme under which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. A card issuer will review the claim against the possible reasons for a chargeback and look at whether it would be able to make a successful claim for the customer. Card issuers do not have to submit claims and usually will only do so, if it is likely to be successful. We don't expect them to raise a claim if there is little prospect of success.

For Mr J's benefit I will further explain that as he used a debit card to make payment to B, the only potential way in which this dispute could be considered by Revolut was via a chargeback. So, Revolut has treated him fairly by only pursuing this matter through this means.

Any chargeback dispute must be considered and raised in accordance with the card scheme (in this case, Mastercard) rules – there is no discretion on the part of Revolut in terms of whether claims made satisfy the card scheme rules, but rather Revolut would have needed to assess the relative merits of the dispute raised against the already existing rules and determine whether anything can be done to recover the funds in dispute. This unfortunately means that not all situations are covered.

Although it is possible to raise disputes for partial amounts under the Mastercard rules, it is my understanding that if a service is utilised (in this case, if Mr J stayed at the accommodation) a claim to return funds for the nights used would most likely have been unsuccessful – this would apply to a claim for the full or even a partial amount of the funds paid. Revolut did initially raise a dispute for the full amount paid to B but once B raised a defence in response, Revolut needed to consider whether the dispute had reasonable prospects of success before proceeding any further. Knowing, as we do, that claims for used portions of the service are unlikely to be successful, it was not unreasonable for Revolut to decide at this point to only take a claim for the unused portion of the service to pre-arbitration. So, I find Revolut's actions to be reasonable.

Revolut managed to secure a refund of the unused portion of the service and as I find it likely this is the only part of the claim that had any prospect of success, I find Revolut has done what it can for Mr J in the circumstances and handled his dispute fairly.

It seems to me that Mr J is asking for compensation for the state of the accommodation which is not what he had been expecting. Although I understand and empathise with this, chargeback disputes are limited in nature and do not allow for this sort of remedy, no matter how strong the evidence presented by the customer who has experienced the issue. I, therefore, do not uphold this complaint and find that Revolut has treated Mr J fairly when handling his chargeback dispute.

My final decision

My final decision is that I do not uphold Mr J's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 December 2025.

Vanisha Patel
Ombudsman