

The complaint

Mr E has complained about how Revolut Ltd (Revolut) handled a refund claim he made.

What happened

Mr E used his Revolut debit card to purchase tyres from a supplier I shall call 'S' in March 2025 to the sum of £262.56. He subsequently said they weren't fit for purpose and contacted S who accepted the items for return.

S then said they arranged for the items to be collected but Mr E didn't comply as required for these pickups. Mr E has said however that the collections didn't occur and in turn a return label wasn't provided for him to send the items back.

As the matter remained unresolved, he contacted Revolut to raise a chargeback claim against S. Revolut raised the chargeback claim but didn't progress it further following S's objections. Revolut felt there wasn't a reasonable prospect of success if it had been progressed further as they thought S had done all they could've to arrange for the collection and that they had provided further instructions to Mr E for a return which they say he didn't comply with.

Mr E didn't agree and so referred his complaint to our service. Our investigator reviewed the available evidence and said Mr E had attempted to return the items and so the merchant didn't fulfil their obligations. As Revolut hadn't progressed the chargeback claim further, our investigator felt that there would've been a reasonable prospect of success had they done so and so told Revolut they needed to refund the claim amount in full.

Revolut didn't agree and so asked for an ombudsman to issue a final decision on the matter.

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've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a courtesy but reflects my role in resolving disputes informally.

It's important to note that Revolut aren't the provider of the goods here – so in deciding what is fair and reasonable, I'm looking at their role as a provider of financial services. In doing so I note that because Mr E paid for this transaction using a Revolut debit card, a chargeback claim could possibly help him. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

Chargeback is the process by which settlement disputes are resolved between card issuers and merchants. A consumer isn't entitled to chargeback by right. But where there are grounds to raise one and it has reasonable grounds for success, it is good practice for one to be raised by the card issuer.

However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules (in this case VISA). I've considered the relevant chargeback rules in deciding whether Revolut acted fairly.

The relevant chargeback code here would be '*Not as described or defective merchandise/services*'. I've therefore considered the evidence available with regard to this chargeback rule and whether Revolut acted fairly when they declined Mr E's claim following the merchant's objection.

Did Revolut act reasonably in declining the chargeback claim?

I previously sent my findings to Revolut but they remained of their prior position. I will therefore succinctly explain why I think Revolut didn't act reasonably here in their consideration of Mr E's claim – and this is broadly in line with our investigator's findings.

Under VISA rules, these are the requirements for the item return. The cardholder must:

Attempt to return the merchandise or cancel the services.

And

1,2 Attempt to return is only valid when the Merchant does one of the following:

- Refused the return of the merchandise*
- Refused to provide a return merchandise authorization/label*
- Instructed the Cardholder not to return the merchandise*
- Merchant no longer exists or is not responding to the Cardholder*
- Merchant did not provide clear instructions on how to return*

The key points are:

- There isn't sufficient evidence to confirm the pick-ups attempts were made here. Mr E has said they didn't occur and I can't agree that S's assertions alone are enough.

- Mr E only cancelled one pick up attempt because he wasn't available and I don't think this was unreasonable.
- Revolut seem to be focusing on the point that as the previous alleged attempts to pick up failed, Mr E then needed to arrange a return himself as advised by S, at his own cost – as S said they'd refund him later.

VISA rules clearly state that when the merchant refuses to provide a return merchandise authorisation or label, this is considered an 'attempt to return' by the cardholder. S stated on 23 April 2025 that they wouldn't be sending a label to Mr E despite his requests.

Mr E also said that he didn't have the financial circumstances to arrange the return either. Ultimately, VISA rules state that a return label should be provided to the consumer under this reason code. S's earlier decision to arrange courier collections doesn't negate the merchant's obligation to also provide a return label, if required, under these rules.

And so with this in mind, I consider there was a reasonable prospect of success if the chargeback claim had been progressed further, as Mr E has attempted to return the goods per the card issuer rules but was frustrated by the merchant in doing so.

As Revolut declined to progress the claim further, I agree with the investigator that they would now be liable for the chargeback claim.

Putting things right

To put things right Revolut needs to refund the claim in full and award interest at 8% simple, from the date the chargeback claim was declined to the date of settlement.

My final decision

My final decision is that Revolut Ltd must:

- Refund the claim amount of £262.56 to Mr E.
- Award interest at 8% simple on this refund, from the date the chargeback claim was declined, to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 6 January 2026.

Viral Patel
Ombudsman