

## The complaint

Mr M complains Revolut Ltd (“Revolut”) failed to treat him fairly when he approached it for assistance in claiming a refund of a payment he’d made on his debit card.

## What happened

Mr M says he was in Dubai on 23 October 2023, when he was offered a free excursion if he participated in a local hotel tour. He agreed to go on the hotel tour and, during the course of this, was introduced to representatives of a company I’ll call “L”.

L presented a kind of holiday club product to Mr M and his family, which he said he was told would give him discounts of 70% on hotel stays globally. Mr M says that, in essence, L wouldn’t take no for an answer and, after around three hours with L’s representatives, he signed a contract for membership of L’s club. The contract was priced in US Dollars (USD) and United Arab Emirates Dirhams (AED). A deposit of 18,438 AED was charged to Mr M’s Revolut debit card which, after currency conversion, appeared as a charge of £4,135.44.

On returning to his own hotel, Mr M says he researched L and, discovering it had a poor reputation, felt he had fallen victim to a scam. On checking his contract, he noted he could cancel within four days for a refund of everything minus an “Administration and Contract Fee”, and its associated taxes. Mr M says he cancelled with L, in person and in writing, the following day. He was unhappy about L retaining part of the money paid on cancellation.

L acknowledged Mr M’s cancellation by email on 24 October 2023 and said the matter had been passed to the appropriate department. It noted that he wouldn’t get a refund of the Administration and Contract Fee and any services already received. Mr M says he has never received any refund from L, although he has received a number of emails from the company telling him it will take some time. I’ve seen some of these emails – the most recent is from April 2025.

Mr M also got in contact with Revolut for assistance in the days following the transaction. There was some initial confusion over whether Mr M had been a victim of card fraud, but by early November 2023 it seems to have been recognised by Revolut that Mr M’s request for a refund would best be dealt with as a “chargeback”.

Revolut attempted a chargeback against the payment to L on the basis Mr M had cancelled the contract but not received the refund he was due. L responded to the chargeback with the documents Mr M had signed on 23 October 2023. It’s not clear exactly what L told Revolut, but it’s apparent that it disagreed with the chargeback. Revolut considered the information it had, and decided that it couldn’t pursue the chargeback any further. It notified Mr M of this on 3 January 2024. Mr M asked for further information about why the chargeback had not been successful, but he was dissatisfied with the explanations he received from Revolut.

Mr M first contacted the Financial Ombudsman Service about the problem in August 2024. We notified Revolut that Mr M wanted to complain about its handling of the chargeback, and it immediately wrote to him with a final response to his complaint on 9 August 2024, denying it had done anything wrong.

There was then a delay in Mr M returning to the Financial Ombudsman Service to tell us that he wanted us to look into his complaint – longer than the six months he is allowed under our rules. He explained the delay was due to a bereavement. We shared this information with Revolut and asked if it would consent to us considering the complaint outside of our usual time limits. Revolut said it would consent in the circumstances, so one of our investigators went on to look into Mr M's case.

Our investigator said he thought the complaint should be upheld. He considered there was evidence Mr M had cancelled within the time allowed under the contract with L, so he should have received a partial refund. He wasn't sure what L had told Revolut that meant it didn't think Mr M was due a refund, but ultimately he didn't think it had treated him fairly.

Revolut said it had spoken to its department which handles chargebacks, and that it disagreed with our investigator. It said that Mr M had not provided documentary proof that he had in fact cancelled the contract with L, in accordance with the cancellation terms. For this reason, it had been unable to take the chargeback any further.

Our investigator considered this information but it didn't change his mind. He noted that Revolut had never asked Mr M for documentary proof. If this was something it had needed, then it ought to have done so.

Following this, Revolut asked that an ombudsman review the case, so the complaint has 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.

Before going on to consider Revolut's involvement in Mr M's dispute with L, I think it would be useful to determine whether (and to what extent) Mr M was in fact entitled to a refund from L.

Having read Mr M's contract with L, it appears that if he cancelled within four days, he would be entitled to a refund of everything he'd paid apart from the "Administration and Contract Fee" and its associated taxes. Based on my analysis of the evidence in this case, and in particular an invoice which split out this fee and its associated taxes, I think the refundable portion of what Mr M had paid was 10,918.65 AED, which equates to 59.22% of the total. Applying this percentage to the GBP amount charged to Mr M's card, this is equivalent to a refund of £2,449.01.

I think Mr M has provided compelling evidence that he cancelled in accordance with the cancellation terms of the contract. He has the emails which were sent to L within the window of time permitted, and L's acknowledgement of the cancellation. There are also later emails where L appears to be promising a refund will be forthcoming but seem, to me, to be attempts to stall Mr M. I think it's unlikely it intends to refund him.

Having established that Mr M cancelled his contract with L and was entitled to a refund of £2,449.01, I'll move on to consider Revolut's handling of the chargeback.

### **The chargeback and Revolut's handling of the process**

When someone has paid for goods or services using a debit card, and they have a dispute over what they've bought, then their card provider may be able to obtain a refund for them via the process which is known either as a "chargeback" or a "dispute", depending on the

card scheme involved.

Chargebacks are not a guaranteed way of claiming a refund. They are only available for specified types of dispute, and certain requirements need to be met for them to succeed. These include requirements around timeliness and evidence. The other party to the chargeback (L, in this case) can also decide to resist the chargeback, putting forward a defence against any claim for a refund.

The rules which govern chargebacks are set by the card schemes. Where a chargeback is contested, as was the case here, it can be escalated first to an intermediate stage called “pre-arbitration”, and then to a final stage called “arbitration”, where the card scheme will decide on the matter in accordance with its rules.

While a chargeback is not a consumer right, I would expect a debit card issuer to attempt a chargeback when approached by its customer with a dispute over a card transaction, where it appears this would have a reasonable prospect of successfully claiming a refund. I would also expect the card issuer to conduct and administer the chargeback process in a competent way, avoiding errors.

In this case, Revolut attempted a chargeback, but this was contested by L. It’s unclear precisely what L told Revolut (other than simply sending copies of the documents Mr M had signed), but Revolut said it couldn’t proceed any further because it didn’t have documentary evidence that Mr M had cancelled in accordance with L’s cancellation policy. So I think it’s reasonable to assume this is what L argued in response to the chargeback.

Unfortunately, I don’t think Revolut handled the chargeback well. I’ll explain why.

The scenario that Mr M presented to Revolut – where a purchase had been cancelled, and a refund was said to be due but had not been paid – is a kind of dispute that can be pursued via the chargeback process under Visa’s “Dispute Condition 13.7: Cancelled Merchandise/Services”.

Visa’s rules explain that this chargeback is available where a person has cancelled a service and the merchant has not processed a refund in line with their cancellation policy. The rules also explain that the card issuer (Revolut) would need to provide certain information to support a chargeback made for this reason. This includes “a *detailed description of the...services*” and “*The date the...service was cancelled...*”.

The rules go on to say that the merchant (L in this case) can defend such a chargeback by providing evidence “*To demonstrate that the cardholder received the Merchant’s cancellation or return policy and did not cancel according to the disclosed policy.*”

Finally, the rules explain that the card issuer can, after receiving a defence from the merchant, proceed to pre-arbitration on the basis that it “*can provide new documentation or information...about the Dispute*”.

The rules don’t specifically require documentary evidence of the cancellation when the chargeback is attempted, and I note this appears to be consistent with the content of Visa’s April 2021 “*Frequently Asked Questions and Case Studies*”. In this document, the following question appeared:

*“Our cardholder letter states that merchandise was returned, but it does not provide evidence that the merchant received the goods. Would Dispute Condition 13.7 apply here?”*

Visa answered:

*“Yes. A dispute may be initiated without proof of return. However, if the merchant states the goods were not received, evidence must be provided before filing for arbitration.”*

While the question and answer related to goods, I think it illustrates the fact that documentary proof of cancellation isn't required at the start of the chargeback process, but must be provided prior to arbitration if the merchant disputes the cancellation.

I note from Mr M's communication record with Revolut, in the form of what appear to be app-based chats, that there was some confusion as Mr M couldn't find a self-service option to dispute the payment to L. He explained what had happened to Revolut's representatives and it seems they started the chargeback process manually. It's unclear if Revolut's representatives could see the content of previous chats in which Mr M had provided more context, but it's apparent that Mr M was not asked to provide any specific evidence or information to support the chargeback. As explained above, it didn't need to, so at this stage it had not made any error.

However, after receiving the defence from L, Revolut appears to have abandoned the chargeback without thinking to ask Mr M if he had proof that he had cancelled the purchase in line with L's cancellation policy. In light of what Visa's rules say, and its response to the question in its FAQ document, this was a clear mistake on Revolut's part. It could and should have requested the required evidence from Mr M (which I'm satisfied that he had, and would have given to Revolut) and persevered with the chargeback. And while I can't be sure what the outcome of the chargeback would have been had Revolut done so, I think it's likely to have been successful given the strength of evidence Mr M had in his possession.

I think it's fair and reasonable in the circumstances that Revolut should treat Mr M as though the chargeback had been successful for the amount I calculated above - £2,449.01. This is the refund amount I think Mr M would have received, had Revolut correctly handled the chargeback process.

### **Putting things right**

Revolut must:

- Provide a refund of £2,449.01, backdated to 3 January 2024 when it informed Mr M that the chargeback had been unsuccessful.
- Pay interest on this refund at 8% simple per year, dated from 3 January 2024 to the date the refund is paid.\*

\*If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr M how much it's taken off. It should also give Mr M a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons explained above, I uphold this complaint and direct Revolut Ltd to take the actions set out in the "putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 February 2026.

Will Culley

**Ombudsman**