

The complaint

Mr F has complained Revolut Ltd acted unfairly when declining his claim for money back.

What happened

The parties are familiar with the background details of this complaint – so, I'll only briefly summarise them here. It reflects my role of resolving disputes quickly with minimum formality.

Mr F ordered some goods online, totalling £54.96, from a retailer, who I'll refer to as 'R'. This included a pack of four batteries, costing £27.96. He paid for those goods using his Visa debit card – issued by Revolut.

On receipt of the goods, Mr F discovered he'd ordered the wrong type of battery. So, he asked R if he could exchange them. R agreed to do so, but on the condition Mr F arranged and paid for the unwanted batteries to be returned to them and that once received Mr F covered the costs associated with them posting him the alternative replacement batteries.

Mr F says he tried to return the batteries to R. But he found that due to them being classed as hazardous goods, he was unable to find a courier who was willing to deliver them to R. So, Mr F asked R if they could arrange for their collection and return. But R said they were unable to arrange this. R also said they wouldn't issue a refund without the batteries first being returned to them.

Unhappy with R's response, Mr F asked Revolut to raise a chargeback on the basis he had not received the goods. In his submission to Revolut, Mr F also clarified that: '*I contacted the seller to return the goods as I made a mistake on the order*'.

Revolut raised a chargeback for £54.96. R defended the claim, saying, in summary:

- the goods Mr F had ordered had been successfully delivered – there was no error on R's part.
- R had agreed to take the unwanted goods back, but on the condition Mr F arranged and paid for the return.
- As the goods hadn't been returned to R, no refund was due to be paid to Mr F.

Revolut decided there was little chance of the chargeback succeeding if they proceeded to the next pre-arbitration stage. So, they informed Mr F the chargeback was unsuccessful and had been closed.

Unhappy with the outcome, Mr F raised a complaint with Revolut about how they'd handled the chargeback and the outcome. Revolut responded by saying they'd processed the chargeback correctly and inline with the scheme rules. So, they didn't uphold Mr F's complaint.

Because Mr F didn't agree with what Revolut had said, Mr F brought the complaint to the Financial Ombudsman. The Investigator didn't uphold Mr F's complaint. In summary, the Investigator said they didn't believe Revolut had acted unfairly when deciding not to proceed with the chargeback following R defending the claim. The Investigator also didn't find any failings in how Revolut had dealt with the chargeback.

Mr F didn't agree with the Investigator's findings. He maintains Revolut didn't process the chargeback correctly and they failed to provide him with any guidance, assistance and explanation as to how the chargeback process works and what he needed to do to secure a successful outcome. So, this complaint has come to me to make a final decision.

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.

A 'chargeback' is a way for a debit or credit card provider (Revolut) to reclaim money from the merchant's (R's) bank where there are certain problems with the purchase of goods or services by a consumer (Mr F). It isn't a legal right and there's no guarantee the card provider will be able to recover the money this way. It's a voluntary scheme and the process must follow the scheme rules. As Mr F's card was issued under the Visa brand, the Visa chargeback rules apply here.

The scheme rules are written by Visa. Revolut must follow the rules – which are strict, and time limits apply. The rules allow the merchant to either accept the dispute or provide evidence in defence of the chargeback. If an amicable conclusion can't be reached, it's Visa who decides the outcome of the dispute – not Revolut.

As it's a voluntary scheme, Revolut didn't have to submit a chargeback to Visa or appeal a decision. But, when there's a reasonable prospect of success, I'd expect them to do so.

It's also important to remember the banks don't regulate the merchant. They can't control how the merchant works or the quality of the goods or service they provide. So, this isn't something I'm able to hold Revolut accountable for. It's not for me to decide on the actions taken by R. What I can consider here, is how Revolut processed the chargeback for Mr F and check if they've followed the rules correctly and in a timely manner.

Chargeback outcome

Mr F has queried if the chargeback code that was submitted to Visa had any bearing on the outcome being unsuccessful. Based on what I've seen, I'm satisfied that it did not.

Mr F asked Revolut to raise a chargeback on the basis the goods hadn't been received. However, Mr F clarified in the information he submitted to Revolut that he had been unable to return the unwanted goods to R because R had failed to help him.

Revolut submitted the chargeback using code 13.7. This is primarily used when a cardholder claims they returned items or cancelled a service but haven't received their credit. I think the code Revolut used was reasonable. I say this because for a merchant refusing a return, Visa doesn't have one specific "refusal" code. The important thing here, is that Revolut did raise a chargeback with Visa.

Mr F has also queried why the chargeback was submitted for the total transaction amount (of £54.96) when he was only asking for £27.96 to be refunded. Having looked at what Revolut

initially received from Mr F, I can see why the chargeback was submitted for the full amount. I don't think it was unreasonable for Revolut to have submitted the chargeback on this basis given what they understood about the disputed transaction at the time. But in any event, I'm not persuaded the amount claimed for had any material bearing on the outcome.

Ultimately, Revolut decided not to proceed to the pre arbitration stage because they didn't believe the chargeback had any real prospect of success. I think it was reasonable for Revolut to have reached this conclusion based on the available evidence. I say this because:

- Mr F has confirmed he made an error with the order.
- The goods Mr F received were the goods he'd ordered and there's no dispute about them not being as described or faulty.
- R's cancellation policy says: '*You may cancel your order within 14 days from the day after you receive the goods. Once you notify us you wish to cancel the order you have 14 days to return the order to us. Any cancelled orders must be returned to us at your own cost*'.
- Having looked online, I can see there are restrictions on the transportation of the type of battery Mr F ordered. And I understand many couriers refuse to handle their transportation or will only do so if strict criteria and conditions are met. So, I understand why Mr F says he was unable to arrange for the goods to be returned to R.
- While Mr F says that under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013, R was obliged to arrange for the goods to be collected because by their nature, they can't normally be returned by post, consumer law doesn't directly apply to chargebacks. This is because a chargeback is a card scheme rule for reversing transactions – it's not a legal right.
- Revolut wasn't provided with any evidence to show that R had ever implied or agreed that they would help facilitate and/or arrange for any unwanted goods to be returned to them.
- The key thing here is that at no point did R refuse to take the goods back.

Even had Revolut proceeded to the next stage in the chargeback process, I think it's likely R would have continued to defend the claim. And based on the available evidence, I think it's more likely than not that had Visa been asked to make a final arbitration ruling that they wouldn't have found in Mr F's favour. Under R's sales policy, Mr F was only entitled to a refund if the goods were successfully returned to R – and this hadn't happened. So, in all the circumstances, I don't think Revolut acted unfairly when notifying Mr F that they'd closed the chargeback at the point they did.

I appreciate Mr F believes Revolut misrepresented the process and outcome in their communications. But I don't think this was the case. I understand why Mr F would have liked Revolut to have provided a more detailed response and set out the exact reasons as to why they'd made this decision. But I think what Revolut told Mr F when saying this was because the available evidence was unlikely to lead to Visa ruling in his favour was reasonable. And I don't consider Revolut's responses have impacted Mr F's ability to pursue the matter through any other available means.

How Revolut handled/processed the chargeback

Mr F has raised concerns about how Revolut processed the chargeback. He believes Revolut failed to properly explain how the chargeback scheme works and failed to provide him with appropriate guidance and support.

It wasn't for Revolut to explain in detail to Mr F how the chargeback scheme works. The scheme is complex and has many rules. A chargeback is also a time sensitive scheme with strict deadlines, so many of the processes are automated. Overall, I think Revolut correctly followed the scheme rules and processed the chargeback fairly and in a timely manner without any undue delays.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 2 February 2026.

Carl Bibby
Ombudsman