

## **The complaint**

Mr B complains that Revolut Ltd didn't do enough to help him when he told it about a dispute he had with a merchant over goods paid for using his Revolut debit card.

## **What happened**

In January 2025 Mr B purchased six items from a merchant. The purchase took place online and Mr B collected the items via a click and collect delivery option. The items included clothing and beauty product/ toiletries.

The total cost of the order was £404.50 and Mr B paid using his Revolut debit card. Mr B decided to return all six items. However, the merchant claimed only four of the items were received and issued a refund for these four items. The two items the merchant said it hadn't received were a hat and a pair of socks costing £244 in total. And so, it didn't agree to provide a refund for these items.

Mr B raised a dispute with Revolut, who raised a chargeback on his behalf. The chargeback was defended by the merchant and so Revolut explained it couldn't pursue the matter further. Unhappy with Revolut's response, Mr B referred his complaint to our service. One of our investigators considered the complaint but didn't uphold it. Mr B wasn't happy with this response and so asked an ombudsman to consider the complaint.

## **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.

Having done so, I'm not going to uphold this complaint. I appreciate that this will be disappointing for Mr B.

I've read everything that the parties have said, but 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. And our rules allow me to do this. This reflects the nature of our service as a free and informal alternative to the courts.

In this case I can see Revolut raised a chargeback to try and recover the disputed funds. A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant card scheme rules. It allows customers to ask for a transaction to be refunded in a number of situations, some common examples being where goods or services aren't provided, or where goods or services aren't as described.

There's no automatic right to a chargeback; the chargeback process doesn't give consumers legal rights; and chargeback is not a guaranteed method of getting a refund because chargebacks may be defended by the merchant. This is because the rules, set out by the card scheme lay down strict conditions which must be satisfied for a chargeback claim to

succeed. If a financial business thinks that a claim won't be successful, it doesn't have to raise a chargeback. But where there's a reasonable chance of success, I'd expect a financial business to raise a chargeback.

This chargeback was defended by the merchant who argued that only four items were received. So, it provided a refund for these items, but it wasn't prepared to refund the two items it says weren't received. Based on the response, Revolut chose not to pursue the matter further.

Mr B was unhappy about this as he argued the merchant's defence was weak. He said the items were returned using the same process as the other four items, so he doesn't see why these items weren't also refunded. He argued that he engaged with the merchant's refund policy and if the items were lost in transit (based on the tracking information not updating) then this wasn't his fault. Finally, he thought that Revolut's handling of the chargeback was "too narrow and unreasonable". He argues it failed to challenge the merchant's response and request further evidence which would show the items were received, such as weight records or warehouse logs to support its version of events.

I've carefully considered the arguments that both parties have made and whilst I think Revolut could have handled the dispute better, I don't think Mr B has lost out as a result of this. This is because I don't think the chargeback had a reasonable prospect of success. I'll explain further below.

The most applicable reason code in this case was "*Cancelled merchandise/ services*" where goods have been returned, and the merchant did not process the refund. However, one of the requirements for this reason code is that the date the merchant received the items is confirmed. In this case, the tracking information hasn't updated, and the merchant disputed receiving the items. So, we don't have evidence that the items were delivered back to the merchant or when this was, which suggests the chargeback was unlikely to be successful if it was pursued further.

However, I do agree that Revolut could have handled the chargeback better. Revolut has argued that it is not the consumer's advocate or representative in the chargeback process. And whilst I agree this is the case, as Revolut has acknowledged, it is required to investigate the claim. Otherwise, it would be unable to determine if the complaint had a reasonable prospect of success. So, I would expect Revolut to at least ask for the relevant information I would expect to see for a particular type of dispute and query any key discrepancies. I can't see it took these steps in this case. And when communicating the outcome of the chargeback, Revolut also gave limited reasons about why it was unsuccessful. However, despite this, I don't think the chargeback had a reasonable prospect of success, so I don't think Mr B has lost out because of this.

Ultimately, I don't think the facts of this case give rise to an applicable chargeback reason code. From reading the requirements for this reason code, I think it's most likely this is addressing a situation where, after the merchant has received the items, it is unwilling to provide a refund. Or where a merchant has refused to accept the returned items. There is a distinction between these circumstances and the facts in dispute in this case. I also don't think there is another chargeback reason code which would be more applicable. So, I don't think this type of dispute was suitable for a chargeback claim. As explained above, a chargeback isn't a guaranteed method of recovering funds in a dispute, so Mr B is still free to pursue this matter separately should he choose to.

Taking everything into consideration, I don't think Mr B has lost out as a result of Revolut's handling of the chargeback claim. I don't think the circumstances of Mr B's claim fulfil the chargeback criteria, and so I don't think it had a reasonable prospect of success.

**My final decision**

For the reasons explained, I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 November 2025.

Claire Lisle  
**Ombudsman**