

## **The complaint**

Mr D's complaint about Revolut Ltd (Revolut) relates to the rejection of a direct debit (DD) following changes made by Revolut to their payment instruction as a result of the UK's withdrawal from the EU on the 1 January 2021.

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat them here in any great detail, save to say Mr D set up an EUR DD in October 2020 in order that payments for an internet service could be made to an EU bank. That instruction proceeded without any problem until January 2021 when the DD failed. Mr D says that Revolut should have advised him of the changes it had made, and also told sending or receiving banks too.

He also complains that despite asking Revolut to inform the merchant's bank of the changes and new requirements they refused to do so, suggesting Mr D do that.

## **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.

My summary of what happened is brief and I know the parties went into a lot more detail. I'm going to focus however on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

There are a number of aspects to Mr D's complaint which I will deal with under discrete sub headings. Before I do so it is worth repeating that the changes under discussion come about as a result of the Wire Transfer Regulations that came into effect from 1 January 2021. As the investigator has pointed out, these changes, in so far as they relate to the circumstances of this complaint, meant that payment instructions would require additional details such as the payers address. As a result of these changes, when Mr D's January DD was due, Revolut were obliged not to allow it to go through - so in this respect I can't say they have acted unfairly.

## **The impending changes**

It is Mr D's argument that as Revolut knew of the impending changes I mention above, it should have notified him. Revolut say it did and have pointed to a message it sent to all its customers likely to be affected. This message does not specifically address the very point which has arisen to cause Mr D's complaint, but it does warn of potential problems with transfers 'cross border'. However, it concludes with the statement that if a customer should be expecting an incoming payment from a European bank, the customer should reach out to the send or sending bank. This of course is not applicable to Mr D as he was making the transfer not receiving it.

Revolut has also said that it put information on its website regarding the Brexit transition and had on hand its Support Team who could have helped Mr D had he got in touch. So, the question must arise as to whether this was enough or whether, reasonably, Revolut should have done more. Quite obviously Revolut could have written individually to each customer and attempted to anticipate the effect of how any changes might impact on each individual customer. I don't think that would be a reasonable or proportionate approach. What Revolut have done is raise the issue of Brexit potentially affecting its customers. The message sent to Mr D does do that in my view. And having done so I think it is then reasonable to expect a customer, such as Mr D, to check with Revolut as to the specifics of any issue he had or might have. Mr D knew he had set up a EUR DD and having been put on notice of potential changes, I don't think there was anything further Revolut reasonably needed to do.

#### **Advising sending or receiving banks of changes**

I don't think there was any duty on Revolut to contact all potential sending or receiving banks of the impending changes since every such bank would be responsible itself for ensuring it was fully apprised of the effect of Brexit and complied with any regulatory framework. So, in the circumstances of Mr D's complaint here, I agree with the investigator that it would be the merchant's receiving bank that would be the party responsible for ensuring that any transactions they were to conduct would meet the Wire Transfer Regulations.

#### **Failing to contact the merchant's bank on his behalf.**

I have partly addressed this point above in finding that there was no responsibility or duty on Revolut to contact the merchant receiving bank. I understand Mr D feels Revolut asking him to contact the merchant or their bankers was unreasonable, but I think that was actually a sensible suggestion since it would have got to the heart of the issue very quickly, and on balance, probably much quicker than a communication from Revolut. So, I don't think Revolut have acted unfairly or unreasonably here.

So, although Mr D will probably be disappointed with my decision I can't say that I think Revolut has acted unfairly or unreasonably here and I'm not upholding this complaint.

#### **My final decision**

For the reasons set out above I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 August 2021.

Jonathan Willis  
**Ombudsman**