

The complaint

Mr H complains about the service he received from Revolut Ltd when transferring money to another account he held elsewhere.

What happened

Mr H was transferring money from his Revolut account (using the Revolut app) to a loan account he held elsewhere. Mr H made a £5 'test' payment and, as that went through without a problem, he made a second larger payment. However, he says that Revolut changed the reference on the second payment which meant it was received in the beneficiary account late resulting in further interest being charged on his loan. So, he complained.

Revolut didn't think it had done anything wrong. It said that payments made via the app will automatically default to the reference '*sent by Revolut*' unless the account holder manually populates the reference field on every payment. And that Mr H hadn't manually populated the reference on the second payment. Unhappy with the response Mr H referred his complaint to this service.

One of our investigators looked into it. But she didn't uphold the complaint. She said Revolut had provided screenshots of the payment process in its app. And having reviewed them, she thought it was clear that the process required Mr H to manually populate the reference field for both payments.

Mr H didn't agree. He said when he made the first payment, he had to set up the beneficiary account as a new payee, so he had to manually enter the account number, sort code and the reference. But when he made the second payment, he says he simply had to select the beneficiary as an existing payee. And, as the account number and sort code were already prepopulated (following the first transfer), he felt it was reasonable to assume that the same reference would be used as this is what happens when he's made transfers from accounts held with other banks.

The investigator considered what Mr H had said. She maintained that she thought the process for adding a reference number on the second transfer was clear. And she added that Revolut's process also included two prompts for the account holder to double check the payment details before authorising it.

Mr H said he didn't think Revolut's process was customer friendly, and he asked for an ombudsman's decision. 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.

Having done so, I've come to the same overall conclusion as the investigator. I know Mr H will be disappointed as I can see he feels strongly about this matter, so I'll explain why.

Mr H says that it's reasonable to assume that when making a payment to an existing payee that the reference number added when the original payment instruction was set up would be used. I can see why Mr H might think this as I accept that sometimes an account holder may wish to use the same reference for multiple payments to the same beneficiary – as Mr H intended in this case. But equally, I think some account holders will be required to use a different reference number when making payments to the same beneficiary - for example, quoting individual invoice numbers when paying for goods and services. So, I'm not persuaded that the reference is 'locked in' in the same way as the beneficiary's name, account number and sort code might be.

I've thought about what Mr H has said about Revolut's payment process being unclear and not customer friendly. Having reviewed the screenshots for Revolut's payment process (when setting up a new payee and when selecting an existing payee), I'm persuaded that Revolut's process requires a reference to be manually added on each separate payment. I've also seen that, on the screenshot called 'review transfer', the full details of the payment - including the reference, is shown. So, if a reference hasn't been manually added, the reference section prepopulates with '*sent by Revolut*'. And there is an option to edit the reference if required.

So, while I acknowledge that other banks may operate a different process when customers make payments in their banking app, I'm not persuaded Revolut's process is unclear or consumer unfriendly.

Revolut has provided evidence of the payments Mr H authorised and these show that a reference wasn't added to the second payment, hence, the default reference of '*sent by Revolut*' was applied.

Overall, I'm not persuaded that Revolut has done anything wrong here or treated Mr H unfairly. So, I can't hold it responsible if Mr H's payment was not applied to his loan account as promptly as he expected.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 February 2024.

Sandra Greene
Ombudsman