

## **The complaint**

Miss K complains about Revolut Ltd's failure to refund her in respect of a dispute.

## **What happened**

The background facts of the case are well known to the parties – so I won't repeat these in detail here. It reflects my informal remit.

Miss K used her Revolut debit card to make two transactions as follows:

£400 – To a supplier who I will refer to as 'AP'

£79.99 - To a supplier who I will refer to as 'SP'

Miss K says she was expecting to be provided paid modelling work for these payments and did not receive this. She says she had fallen victim to a scam. She contacted Revolut to dispute these transactions.

Revolut raised a chargeback for Miss K and won the dispute against SP as it didn't respond.

AP defended the chargeback saying Miss K had received the services she paid for - and Revolut decided to discontinue the disputes process at that point.

Miss K contacted this service as she is unhappy Revolut did not get her a refund from AP. Our investigator upheld the complaint but Revolut disagreed so the matter has come to me for a decision.

I issued provisional findings on this matter not upholding the complaint as follows:

### ***What I've provisionally 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.*

*I have read and considered the parties submissions but will only comment on the evidence I consider key to determining what is fair and reasonable.*

*I went back to Miss K to ask her for some further clarification on the nature of her dispute before writing my decision – however, she has not provided this so I am basing my decision on the information I do have.*

*It is important to note that Revolut is not the supplier of modelling services here. Therefore, in determining what is fair I am not deciding if Miss K has been misled by the supplier as she says– but if Revolut acted fairly in its handling of the dispute based on the information it was provided or was reasonably available to it at the time.*

*I would also underline that because Miss K used a debit card rather than a credit card she is not able to make a claim in respect of breach of contract and misrepresentation against*

*Revolut in the same way she might be able to under Section 75 of the Consumer Credit Act 1974. The dispute is instead governed by the limitations of the chargeback scheme rules. I understand in this case it is the Mastercard chargeback scheme so it is these rules I have considered.*

*A chargeback is not guaranteed to succeed but I would expect Revolut to have fairly considered if one had a reasonable prospect of success and taken it forward in appropriate circumstances.*

*I can see that Revolut did raise a chargeback here because Miss K told it in the dispute form she 'paid modelling agencies for the modelling service. The services were supposed to be provided on 1 Feb 2023, however no service received'. I note in the web chat she told Revolut that she felt she had been a victim of a modelling agency scam. She had said:*

*'a modelling studio asked for upfront payment of £400 and then a modelling agency asked for £80...Which doesn't sound right...And I did not receive any of the services I was meant to'*

*Revolut appears to have used the chargeback reason code relating to goods or services not being provided. Based on what Miss K had told it I don't think this was an unreasonable reason code to use.*

*I note it appears Miss K's chargeback against SP was successful – as it did not respond.*

*However, AP did respond with a defence explaining that it had provided Miss K with digital photos, a personalised portfolio, online materials (which she had accessed) and sent her details of the additional training which was part of the package. It said she hadn't contacted it in respect of aspects of the service she had not received – so it could not rectify things.*

*Revolut then appears to have contacted Miss K to explain that her chargeback had been defended and the reason why.*

*I am not persuaded that Revolut acted unfairly in pausing the dispute process here. I say this noting that on learning about the defence AP provided Miss K did not put forward a clear challenge to its claims. Furthermore, the evidence she had provided Revolut up to that point to support her case was somewhat unclear and the testimony is not in my view detailed or compelling. I note Miss K appears to have sent Revolut some emails (presumably to AP although it isn't clear) which refer to a modelling agency (who I will refer to as BM) telling her about work opportunities then not contacting her back. The email refers to agencies asking for upfront fees. There is also an unclear copy of the contract with AP and some comments from message boards but it isn't clear whom these are about. Miss K also refers to services not being received which were due on the same date of the transaction – which would appear not immediately in line with claims regarding services to be provided in the future (such as work opportunities).*

*My impression from the information I have seen is also that there are several parties involved here and it isn't clear who might have told Miss K what and AP's role here in providing opportunities beyond photographic/portfolio services versus the agencies such as SP and BM who appear to have been potentially asking for fees for work opportunities.*

*So overall, I don't think Revolut acted unfairly in its role as financial services provider in discontinuing the chargeback against AP when it did.*

*I have noticed that after Revolut contacted Miss K to explain the defence raised by AP she had a webchat with an agent. During the chat Miss K asked what else could be done to take*

things further and I think what the agent said was potentially misleading. They indicated that the chargeback could not be taken forward/re-raised. However, this was in conflict to Revolut's own final response letter sent to Miss K around the same time which did not rule out continuing things and actively invited Miss K to submit more information to it.

It could be argued that Miss K would have reasonably known that she could submit more information from the letter she received from Revolut around the time. But for completeness, I have considered what likely would have occurred if the webchat had been clearer.

Even if the webchat were clearer it is arguable that Miss K would not have provided Revolut with anything more for it to reconsider the chargeback – because it appears she reasonably knew she could (from its letter) but chose not to. But if she had chosen to I think she would likely have provided the additional information she first provided this service.

However, I have looked at this and don't think this would have likely led to a chargeback that had a reasonable prospect of success in any event. I say this noting the following:

- Miss K has since confirmed to this service that AP did provide her with a portfolio, Z-card and access to modelling agencies – this appears to be inconsistent with the information she initially gave Revolut that indicated she hadn't received anything. This would likely undermine any chargeback under the reason code 'goods and services not provided'.
- Miss K has confirmed that AP offered her modelling training but she chose not to take it. I think this is likely to undermine a chargeback claim too.
- It does not appear there is clear written evidence of what promises AP made in respect of paid work or evidence that Miss K wrote to AP to challenge it on specific promises at the time of sale that it had not fulfilled (as would be expected) or try to sort things out prior to a dispute process. While I note the testimony she has provided is not entirely clear or consistent.
- The role of AP as opposed to the other parties (like SP and BM) here is still unclear (as I have indicated above) and some of the correspondence indicates that it was the agencies that promised work and AP's primary role was in respect of photography services.

As I have explained, I am not ultimately determining if Miss K was wronged by AP here or ruling out the possibility of a scam. Only whether Revolut should fairly be held responsible in the particular circumstances for refunding her in respect of her transaction to AP. And in the particular circumstances, noting the limitations of the chargeback scheme I don't think it should be responsible because I don't think it acted unfairly in discontinuing the dispute, or in any event caused Miss K a likely financial loss.

I know this will come as a disappointment to Miss K – but she does not have to accept my decision and can if she wants seek appropriate advice regarding taking possible legal action directly against AP.

### **My provisional decision**

*I don't uphold this complaint.*

Revolut responded to agree with my decision. Miss K did not respond by the deadline set.

**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.

Neither party has given me reason to depart from my provisional findings (as copied above). So my final decision remains the same for the reasons already given.

**My final decision**

For the reasons set out in my provisional decision I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 4 April 2024.

Mark Lancod  
**Ombudsman**