

## The complaint

Mr G complains that Revolut Ltd has refused to refund two disputed cash machine withdrawals made from his account. He says he did not make or authorise the withdrawals and wants Revolut to refund the money.

## What happened

Mr G was travelling to Sweden. He stopped and stayed overnight in Germany. He checked into a hostel late in the evening of 30 April 2019. Mr G said that he left the hostel and went out for a couple of hours to have dinner. And when he returned, he logged into his banking app and noticed two pending transactions – which he didn't recognise. Two cash machine withdrawals were made in the early hours of 1 May 2019 totalling 1,250 euros plus exchange and cash machine fees. Mr G had the payment card in his possession. He immediately blocked the card and contacted Revolut via its online chat facility.

Revolut told Mr G that as the transactions were pending it couldn't do anything. It asked him to contact it again when the transactions were debited - after which it could assist him with recovery.

For ease, I've set out a timeline of the disputed cash machine withdrawals alongside any other activity that I think is relevant to the outcome of this complaint:

Date	Time (local time)	Event
30 April 2019	11.23pm	Mr G paid 30.68 euros for hostel stay
30 April 2019	Approx. 11.30pm	Mr G left his card and wallet in his luggage; in the hall and went to park the car
1 May 2019	Approx. 12am	Mr G returned from parking the car, picked his luggage up and went to his room
1 May 2019	12.11 am	Cash machine withdrawal 1,000 euros plus fees
1 May 2019	12.12am	Cash machine withdrawal 250 euros plus fees
1 May 2019	1.52am	Mr G notices disputed transactions and blocks card on mobile app
1 May 2019	1.54am	Mr G contacts Revolut by online chat
4 May 2019		Transactions debit account and Mr G submits fraud claim form. Card terminated and new card ordered

5 May 2019		Revolut inform Mr G his claim has been rejected - unable to refund or raise chargeback
9 May 2019		Mr G contacts Revolut again requesting a refund – Revolut reiterate decision made and advise to contact police
10 May 2019 – 15 May 2019		Mr G continues to challenge Revolut's decision to reject his claim
12 June 2019		Mr G raises formal complaint
24 June 2019		Revolut issues its final response

On 4 May 2019 the transactions were no longer pending and had debited Mr G's account. He made contact with Revolut and submitted a fraud declaration form. The following day Revolut rejected Mr G's fraud claim for the following reasons;

- the card was in Mr G's possession;
- both withdrawals were made using the genuine card and corresponding PIN; and
- based on the information provided by Mr G on his fraud declaration form, there didn't appear to be a point of compromise for his card and PIN.

Mr G was extremely disappointed with Revolut's decision to decline his fraud claim and with the service he'd received. He complained to Revolut - who didn't uphold his complaint.

Unhappy with the outcome Mr G referred his complaint to our service. It was passed to an investigator who thought the complaint should be upheld. Our investigator wasn't persuaded Mr G made or consented to the cash machine withdrawals. He also felt Revolut could've done more when Mr G first made contact about the disputed transactions. To put things right he recommended Revolut refund the disputed transactions (inclusive of fees and charges), pay 8% interest on the disputed amount until the date of settlement and pay a compensatory award of £100 to Mr G for the poor service he received.

Revolut did not agree with the investigators outcome and asked for an ombudsman's decision.

I did that but reached a different conclusion from that reached by the investigator. In my provisional decision I explained why I thought Revolut was entitled to hold Mr G liable for the disputed transactions and that I was satisfied with how it had handled Mr G's fraud claim. I said;

*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, my review of the evidence has led me to a different conclusion to our investigator and I intend not to uphold this complaint.*

*I know this will be very disappointing for Mr G. But I'd like to take some time to explain how I've reached my intended decision. I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's*

*not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.*

*The investigator wrote a detailed view that set out the relevant regulations and evidence. Both Mr G and Revolut have read the investigator's view, so I won't repeat every detail here.*

*Generally, Revolut can hold Mr G liable for the disputed transaction if the evidence suggests that it's more likely than not that he made or authorised them himself.*

*From what I've seen I don't think it's unreasonable for Revolut to conclude that Mr G authorised the transactions. I say this because having carefully considered all the evidence, on balance, I think it is more than likely that Mr G either made the withdrawals himself or consented to them being made. I say that for the following reasons:*

- Firstly, I'm satisfied from the banks evidence that both cash machine withdrawals were made using Mr G's genuine card and his PIN.*
- I appreciate Revolut have argued that there are many inconsistencies between the version of events Mr G gave to Revolut and has given to this service. I don't disagree, but I do think some of this can be explained as English is not Mr G's first language and he may have understood what was being asked of him differently to how it was intended by Revolut. I also accept that due to the passage of time, Mr G's memory may have faded and of course, he may no longer clearly remember events which happened six months ago.*
- I also agree with the investigator that I don't believe the point of PIN compromise was the PIN Mr G had written down in reverse in his wallet. I say this because Revolut's technical evidence shows no incorrect PIN attempts. I think it's reasonable to think if an unknown third-party had obtained Mr G's wallet - with the card and the written down PIN, they would've first tried it as it was written. I think it's unlikely they would've guessed it was written in reverse correctly first time.*
- So, the other potential point of compromise for Mr G's PIN was when he paid for his hostel stay at 11.23pm on 30 April 2019. After which Mr G has said he went to park his car, leaving his luggage which contained his wallet in the hostel hall. He was gone for around 30 minutes. So, it's possible that someone could've watched Mr G entering his PIN, taken his card without him noticing or from his luggage when he went to park his car and used it very quickly at a nearby cash machine. That can happen. But as Mr G was still in possession of his card when he reported the disputed transactions, it means that, having seen Mr G's PIN and taken his card and used it successfully to withdraw cash, a thief then would've had to return to the hostel, by which point looking at the timeline of events Mr G was most likely in his room, would've needed to establish which room he was staying in, gained entry to his room and placed the card back into his luggage without him or anyone else noticing. In my view, that's most unlikely; a thief might have abandoned the card or kept it with a view to making further withdrawals or payments later – but I doubt they would return to the place where they took it.*
- Mr G has said that he was sharing a room with others and I've thought about whether it's possible that someone he was sharing a room with had taken the card, carried out the withdrawals and returned it to avoid detection. Whilst this is a possibility – it still doesn't explain how an unknown person was either able to guess the PIN correctly first time or have known that the PIN kept with the card was written backwards. So, I'm not persuaded this is what happened.*
- Whilst Mr G didn't mention this from the outset, he later claimed to have left his wallet containing his Revolut card, in his luggage, in his hostel room, when he went out for a couple of hours. He said he kept his Italian bank card in a separate wallet – which he had with him. But then Mr G has also told us the reason he opened an account with Revolut was to use the card abroad as it had lower charges compared to his*

*Italian bank card – so I'm not sure why Mr G took a wallet containing a card he didn't want to use whilst abroad rather than the wallet containing the card he did use when travelling. So, I'm not persuaded by Mr G's testimony.*

- And more so, as Mr G's Revolut card didn't have a withdrawal limit, yet his account wasn't completely drained – a balance of over 600 euros remained. Typically, I'd expect a thief to make the most of having access to a card and this usually means maximising their gain – but this didn't happen here. Whilst this alone is not conclusive, I can't ignore that no balance enquiries were carried out before or after the withdrawals. This would suggest the person making the withdrawal would've already been aware that there was a substantial balance on the account – which I'm not persuaded an unknown third-party would've known.*
- I appreciate Mr G's strength of feeling that examination of CCTV would've identified it wasn't him who made the withdrawals and Revolut's failure to advise him to contact the police when he first contacted it has meant an opportunity has been missed to confirm the withdrawals were not made by him. Firstly, I accept and take onboard Mr G's reasons for not contacting the police immediately. But ultimately if Mr G believed he'd been the victim of a crime, it was for him to report the matter not to wait till Revolut told him to do so. However for the purposes of this complaint even if CCTV footage was available and it did show that someone other than Mr G had made the withdrawal - looking at the evidence in this particular case, I don't think I could go onto confidently say Mr G didn't authorise someone else to withdraw the funds – so under the relevant rules he would still be liable.*

*Taking everything into account, I find, on balance, that Mr G either made or consented to the cash machine withdrawals. It follows that Revolut are entitled to hold him liable for them.*

#### *customer service*

*From looking at the online messages sent by Revolut I don't agree that its customer service was poor. When Mr G first contacted Revolut on 1 May 2019 requesting that it cancels the pending transactions – the information given to him was correct. A bank is unable to cancel pending transactions as these have been promised to be paid to the merchant. Nor is it able to raise a chargeback – till the transactions have been claimed and have debited the account.*

*I can see that Revolut did consider the chargeback option – once the transactions had debited the account. It sent Mr G the relevant forms to complete on 4 May 2019 – which he returned the same day. By the following day Revolut completed its investigation and decided to reject Mr G's fraud claim. It didn't agree with him that the cash machine withdrawals were fraudulent, but it explained why; Mr G was still in possession of his card, there was no point of compromise for the PIN, both cash machine withdrawals were made using the genuine card and PIN. So, based on the information Mr G had provided and the technical evidence available to Revolut, I don't think it was unreasonable for Revolut to conclude that Mr G had authorised the disputed transactions.*

*Under these circumstances it also seemed unlikely a chargeback would've succeeded. I should explain here that a chargeback isn't an automatic right or a legal entitlement. It's an agreement between card providers and card schemes and has its own rules. I consider it more likely than not an attempt at a chargeback would have failed. So, I can only conclude Revolut actions haven't been unfair or unreasonable.*

*I invited both parties to respond with any additional comments or information they wanted me to take into account.*

Revolut responded to say it accepted my provisional decision.

Mr G responded with some additional comments he'd like to be taken into consideration.

- He wanted to clarify that whilst his Revolut card was to avoid exchange fees – this was for travel to non-euro countries. The currency in Germany at the time was euro, so neither his Revolut or Italian bank card attracted an exchange charge – so he utilised both whilst in Germany.
- Mr G explains he didn't immediately contact the police as his Revolut card was in his wallet when he returned to his room, and he assumed the pending transactions were possibly an online error or a charge the hostel applied.
- He feels Revolut should've given him detailed information on the transactions when he first contacted it – had it done so, he would've known he'd been the victim of a crime. He also wasn't happy that Revolut couldn't provide the exact address of the cash machine.
- Mr G says assuming that the withdrawals were made by him or consented to by him, why would he make two withdrawals a minute apart and not just one.

### **What I've decided – and why**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm sorry to disappoint Mr G but I haven't been persuaded to change the conclusions I reached in my provisional decision.

I think it's important to say, the key issue here was for me to decide whether Revolut's decision to hold Mr G liable for the disputed transactions was fair and reasonable. I've reflected on and considered in detail everything Mr G has said in response to my provisional decision. Having done so, I still think, on balance, it's more likely than not that Mr G either made the withdrawals himself or consented to them being made.

I understand that Mr G feels Revolut could've done more. In my view, there was no duty on Revolut to do more than what it had done or to investigate matters to the level suggested by Mr G. Further, as I indicated in my provisional decision, I think it's most unlikely that the overall outcome for Mr G would've been significantly different even if it had.

### **My final decision**

My final decision is that I do not uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 1 July 2020.

Sonal Matharu  
**Ombudsman**