

The complaint

Miss C complains that Revolut won't refund a disputed transaction which occurred on her account. And they've provided poor customer service. She'd like her money returned and compensation for this.

What happened

Miss C has an account with Revolut.

In September 2019 Miss C transferred £250 onto her Revolut card. On the 9 October 2019 Miss C discovered that a fraudster had gained access to an account she has with another bank, I'll call L, and transferred an additional £2,900 to her Revolut account. She couldn't access her Revolut account now and was worried about the £3,150.

Due to technical issues Revolut weren't able to provide Miss C access to her account – and although they accepted fraud had occurred the bank didn't make arrangements to refund the £250.

Miss C wasn't happy with Revolut's response to her fraud claim so complained to our service. She explained because of the bank's poor response her holiday was negatively impacted and she'd like compensation.

Our investigator looked into Miss C's complaint. And they concluded that Miss C didn't authorise the £250 transaction and was provided with poor customer service from Revolut. So he recommended that Miss C be refunded £250 plus 8% interest and £75 in compensation for the poor service provided.

Miss C didn't accept the view and queried how Revolut could have allowed the money to be transferred out when they'd spotted a different IP address had been used, why L – instead of Revolut - had to refund the £2,900 which led to 3 months loss of interest and overall how disappointed she was with the bank's customer service.

Our investigator reviewed Miss C's comments – but didn't change his outcome. In summary he explained that he wouldn't have expected Revolut to block Miss C's account just because a log in took place from a different IP address, it was L's responsibility to refund the £2,900 and he felt £75 was fair compensation for the inconvenience caused.

The bank accepted our investigator's opinion but advised they could only refund Miss C and pay the compensation through the Revolut app.

Miss C didn't accept our investigator's opinion, so it's been passed to me for a decision.

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.

In doing so I've reached the same conclusion as our investigator for broadly the same reasons. On reviewing Miss C's complaint I made contact with both Miss C and the bank. And I explained that I felt the resolution offered by our investigator was fair.

In summary I explained that that I was satisfied Miss C didn't authorise the £250 transaction, therefore Revolut have a responsibility to refund this. And overall the customer service Revolut had offered, when attempting to address the fraud which occurred on Miss C's account and allow Miss C re-access to her account, wasn't satisfactory. I further explained that I didn't think it was Revolut's responsibility to refund the £2,900 transferred in from Miss C's account with L. And although I understand why Miss C was concerned fraud occurred on her account, I wouldn't necessarily have expected the bank to block her account when it identified a new IP address was used to access it. Overall I thought that £75 was fair compensation for the difficulties Miss C had suffered in contacting Revolut, getting her refund and accessing her account.

Both parties accepted my recommendation, although Miss C also asked for Revolut to provide written evidence they'd closed her account. I've seen evidence that Miss C's Revolut has now been closed.

Putting things right

For the reasons I've explained above I think Revolut should refund Miss C £250 plus 8% interest and £75 in compensation for the inconvenience caused.

My final decision

My final decision is I direct Revolut to:

- Pay Miss C within 28 days of receiving notification of her acceptance of my final decision; plus
- Pay 8 % interest from the date of loss to the date of refund¹.
- Pay Miss C £75 for distress and inconvenience.

¹ If Revolut is legally required to deduct tax from the interest should send Miss C a tax deduction certificate so she can claim it back from HMRC is appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 23 November 2020.

Jeff Burch
Ombudsman
