

The complaint

Miss H complains Revolut Ltd blocked her account and debited £140 without her consent. She asks Revolut to refund the payments and compensate her for the service she received.

What happened

Miss H holds a Revolut account. During 2019 she needed to top up her account but didn't have enough funds. Her mother agreed to help and added her bank's debit card details to Miss H's Revolut account.

Around that time, Miss H's mother opened her own account with Revolut. Miss H says her mother never received the first Revolut card which Revolut sent, but she did receive the second card it sent. Miss H says her mother's bank account was compromised. Someone made payments from the account to a Revolut account neither she nor her mother hold. She thinks someone cloned her mother's debit card.

Miss H says her mother contacted her bank and raised chargebacks so the payments could be refunded.

Revolut froze Miss H's account. It asked her to provide evidence showing the payments left her mother's account. It also wanted to verify Miss H's identity. Miss H initially couldn't provide evidence for her mother's account, but she was eventually able to. Revolut unblocked Miss H's account, but the chargebacks had been processed and Miss H's account was debited, leaving her with a negative balance.

Miss H complained to Revolut. She said her account had been debited unfairly, and she was being held liable for the actions of a fraudster. Revolut said it needed to debit her account to comply with its responsibilities. Unhappy with Revolut's response, Miss H brought her complaint to our service.

An investigator considered the complaint but didn't uphold it. They found:

- Revolut needed to return the funds back to Miss H's mother on receiving chargeback requests from her mother's bank.
- Any fraud Miss H's mother experienced involving Revolut is a matter for Miss H's mother to bring.

Miss H disagreed with the outcome. She said her mother received the £140 back through the chargeback, and it was unfair Miss H was left out of pocket. She referred to media articles about other Revolut customers who had been the victims of fraud and scams.

As no resolution was reached, the complaint was passed to me to decide as an ombudsman.

I asked Miss H for clarification on the following statement she made:

“I understand that Revolut needed to get their money back on the charge backs from the fraudulent deposit transactions, my point is that I did not spend the deposited money, the deposited money was somehow taken from the account (by the fraudster's [sic] that made the deposits). Revolut then took the amount from the charge backs from my account, from my Revolut balance.”

I wanted to know whether Miss H was saying a fraudster made payments from her Revolut account. And if so, which payments did she not recognise. Miss H didn't respond to my questions, and I'm satisfied she has had enough time to provide a response.

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 have decided not to uphold this complaint. I'll explain why.

Revolut has a wide variety of legal and regulatory responsibilities it must meet when providing accounts to customers. These mean it must monitor accounts, but also act when potential concerns regarding transactions are raised.

Revolut received a chargeback request from Miss H's mother's bank in relation to top ups crediting Miss H's account. I find blocking Miss H's account while Revolut investigated what happened was a proportionate step it needed to take to fulfil its responsibilities.

I'm satisfied Revolut were reasonable in asking Miss H for proof of where the top up funds originated. They had received a chargeback claim which indicated her mother didn't consent to the payments. Miss H wasn't able to provide evidence straight away, so returning the funds to her mother's account was appropriate.

Miss H eventually provided evidence to show the payments left her mother's account, which Revolut acted on by unfreezing Miss H's account, after it had verified her identity – which again was reasonable in the circumstances.

Miss H thinks Revolut responded to the chargeback incorrectly and debited her account rather than the account of an unknown Revolut account holder. But I disagree. The payments which left Miss H's mother's account matched the payment amounts and number of the payments which topped up Miss H's Revolut account. So, I find the payments were sent to Miss H's Revolut account and nobody else's.

Miss H's mother might not have recognised the payments out of her bank account as payments to her daughter because she didn't recognise the Revolut reference. But, the reference merely identified the transactions. It did not reference a third party's Revolut account. So, I'm satisfied Revolut were right to debit Miss H's account. Revolut could take this action under the terms of the account.

Miss H was left with a negative balance, but this was caused by her mother raising a successful, potentially mistaken, chargeback claim. The negative balance was not because of an error made by Revolut. I asked Miss H whether she was disputing any of the payments made out of her account that spent the top up funds, but she didn't respond.

So, I'm satisfied Revolut dealt with the chargeback request reasonably and it was correct to refund those sums, despite leaving Miss H with a negative balance.

My final decision

For the reasons I've given, I've decided not to uphold Miss H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 12 May 2021.

Liam King
Ombudsman