

The complaint

Mr K complains that Revolut Ltd won't refund him for a transaction he says he didn't make or agree to. He would like the money returned to him.

What happened

Mr K holds an account with Revolut. He says in October 2020 he received a message to authenticate a new device on his Revolut account that he didn't expect, but he ignored it. He says he was then contacted by a number from abroad, which asked him to authenticate his Revolut banking details, but he didn't give them any details.

Two days' later he checked his Revolut account and found that an online transaction of just over £5,000 had been taken from his account. There were also several unsuccessful transactions for similar values on the same day. Revolut had blocked his card as a precaution.

Mr K later contacted Revolut, who raised a chargeback claim. He also reported the transaction to the police. He said he hadn't shared his card details or allowed anyone else to use his account. Revolut reviewed what happened but didn't think there was evidence of any fraudulent activity on Mr K's account, so held him liable for the transactions.

Unhappy with the Mr K referred the complaint to our service. One of our investigators looked into what happened, but didn't think Revolut should refund Mr K. They found that the transaction was likely authorised using the Revolut app – and seeing as the new device wasn't authenticated it more likely that not was Mr K's phone that was used to do this. They couldn't see how anyone else could have carried out the transaction without Mr K's knowledge. On that basis they didn't thin Revolut were liable for refunding the transaction.

Mr K disagreed. As no agreement was reached the complaint has been passed to be 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.

Where the evidence is unclear, incomplete or simply unavailable, I have to make my decision based on what I think is most likely to have happened on the balance of probabilities.

In this case the investigator has already outlined the relevant regulations and considerations, so I won't repeat them in full here. But the key question I have to answer here is whether I think it's more likely than not Mr K authorised the transaction.

I accept this is a finely balanced case. Overall, I think it's likely Mr K did authorise the transaction, for the following reasons:

- Mr K has said he hasn't shared his Revolut banking details or his phone with anyone. If this is the case, there doesn't seem to be a way an unknown third party could gain access to his card details and his phone to authorise any payments from the account.
- Mr K has provided evidence that he was called from abroad around the time of the transactions. And it's accepted that there was an attempt to add another device to Mr K's Revolut account on the morning of the transactions. But it's also clear that Mr K didn't add the second device. And from what he's said he didn't share any banking details with the callers. So, this can't be the point where his card details were compromised. And if fraudsters already had enough information to carry out transactions, I can't see why they would attempt to set up new devices or call Mr K – this could potentially put him on alert.
- Because no new device was set up the person would require access to Mr K's Revolut app to authorise the payment. But there doesn't seem to be a reasonable explanation of how someone other than Mr K could access his phone.
- As Mr K says he didn't share any of his card details to the caller from abroad, then the likelihood is that if the transaction was made by somebody who would have already had his card details. But Mr K has also said he hasn't shared or given his card details to anyone else. It's difficult to see how someone could have carried out this transaction without this.
- Mr K has used his card for online purchases before, so it's possible his card details could have been stolen if he'd unknowingly entered them into a fraudulent website for example. But then this wouldn't account for the transaction needing authorisation in the Revolut app. As explained, this would still require some input from someone with Mr K's phone.
- The funds used for the transaction had only been transferred to Mr K's account a few days before they were spent, and usually the account balance was considerably lower. If Mr K hadn't shared his banking details with anyone, then it's unlikely an unknown third party would be aware of the account balance. It could be a fraudster got incredibly lucky that such a large transaction went through first time. Or, more likely the transaction was carried out by someone with knowledge of how much money was on the account.
- The later transactions were for similar amounts but didn't go through. This could suggest the person using the card details didn't know how much was in the account and were trying to maximise the amount of the balance used. But these were over an hour after the successful transaction, which doesn't seem like the actions of a fraudster. I would expect them to try and carry out as many transactions as quickly as possible.
- Mr K doesn't report the transaction to Revolut until two days after it took place. But by this time Mr K would have received the email about adding a new device received calls he says were impersonating Revolut. I find it unusual that he didn't take any steps to secure his account, or even check the balance, for two days.

The means I can't see a reasonable explanation of how an unknown third party could have carried out the transaction. It doesn't seem possible for someone other than Mr K to have all the required information to authorise this payment. I think it's more likely than not the transaction was authorised by Mr K, or by someone acting on his behalf.

On that basis it's fair for Revolut to hold Mr K liable for the transaction.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 April 2022.

Thom Bennett
Ombudsman