

The complaint

Mr C complains that Revolut Ltd failed to protect his account resulting in a loss of funds which they declined to refund.

What happened

Mr C has explained that he received various messages from Revolut indicating someone was trying to access his account. Mr C contacted Revolut through their messaging service and advised them that he'd recently had to re-set other online accounts because of suspect activity. He sent Revolut screenshots of messages he'd received from them indicating attempts to log in to his account from another device.

Mr C said he followed the instruction to change his password on his account and was messaging Revolut when his responses stopped. Revolut continued to send messages but received no reply and later locked the account. Mr C explained that shortly afterward the password was changed, he was locked out of his account and he was unable to access it.

Mr C had previously linked his debit card from another bank account to his Revolut account. This allowed him to "top-up" his Revolut account with funds. Shortly after he was locked out of his account, several "top-ups" were made using his linked debit card and the funds were spent using his Revolut debit card.

Mr C later complained to Revolut about how they'd dealt with his situation. Revolut responded to Mr C and told him that their actions to prevent any losses weren't completed in time. Mr C was unhappy with their response and brought his complaint to our service. Mr C wanted to know what Revolut had done to investigate his complaint and he wanted them to refund his bank and confirm his account had been closed.

In the meantime, Mr C received a refund from his bank related to the disputed transactions that were used to "top-up" his Revolut account. Mr C's bank had used the "Chargeback" system to challenge the "top-ups" and this had resulted in the money being returned from Revolut to Mr C's bank account.

Mr C's complaint was looked into by one of our investigators who thought that because Mr C had already received a refund and Revolut had looked into the matter, there was nothing further to investigate and didn't uphold Mr C's complaint.

Mr C disagreed and said that he wanted a further investigation into how Revolut had handled his loss and that Revolut should refund his bank because the refund he'd received from them wasn't permanent and may be taken back from him.

Mr C later clarified his complaint which in summary was that he remained unhappy with how Revolut had dealt with his situation, Revolut's customer service was poor, and he wasn't sure if his account was closed. Mr C thought that Revolut's security was poor and he still wasn't happy that the refund came from his own bank rather than Revolut. Mr C wanted an apology which explained how this had happened.

The complaint has now 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.

Mr C had told Revolut he was receiving messages which concerned him and the screenshots he's provided show a message from Revolut about an attempted login from another device. The scenario Mr C described was an "account takeover" where an unauthorised third-party engineers access to the account, usually through scam messages or some form of social engineering.

Revolut's audit shows Mr C changed his password and shortly after a new device was registered which then went on to make the disputed transactions. Before a new device can be used with the Revolut app, it has to be authorised by the use of a code that's sent to either the registered mobile phone or email of the account holder. In this case, Revolut's records show a message was sent to Mr C's registered mobile phone number. It's not clear how the new device was enabled to use the account without Mr C's phone being available to the fraudster.

Mr C hasn't mentioned a problem with his phone, although he did tell Revolut he'd had issues with other online accounts that he'd had to change passwords for. So, it's possible that his account was taken over by someone who was unauthorised. Revolut were asked about possible account takeovers, but they couldn't find any evidence of this apart from a second device being registered just prior to the disputed transactions taking place.

Whilst it's not clear if Mr C's account was taken over and I don't think it will ever be proven either way, what's relevant to this complaint is that through a chargeback process, Mr C's account was refunded by Revolut. I realise Mr C wanted Revolut to refund his bank because he thought the refund had come from his own bank, but that doesn't appear to be the case. Revolut confirmed to our service that they'd had to refund the money because of how the chargeback process was found in Mr C's bank's favour – rather than Mr C's bank refunding the money from their own funds. So, I don't think it's appropriate for any further direction concerning losses because Mr C's account has now been refunded.

Mr C was unhappy with how Revolut had handled his situation and wanted to know more about their investigation. When Mr C first told Revolut about his concerns, Revolut were discussing the issue with him through their messaging app. Mr C stopped responding and Revolut continued to send Mr C messages for some time until they shut down the conversation because they hadn't heard anything back from him. It appears that this was the point that Mr C says he was locked out of his account.

Revolut's audit records show the new device was registered whilst Mr C was chatting to Revolut and because the process for authorising a new device was followed, I don't think at that point Revolut were aware of further issues with Mr C's account. Upon reflection, Revolut might have realised there could have been an issue, but the information they had at the time and Mr C's lack of response didn't lead them to the conclusion that his account was under threat. I'm sure Revolut would have wished to have acted quicker at the time, and they revealed this in their final response to Mr C :

"While you spotted the potential fraud quickly and actioned accordingly by contacting us, in order to prevent any abuse of your account or your account's balance, all actions taken were not on time before fraudulent transactions have been made with your account."

So, while I understand Mr C's frustration with Revolut, his account was refunded to ensure he was put back in the position he would have been without these transactions leaving his account. Revolut have since confirmed that Mr C's account was closed in September 2020.

Mr C wanted to understand more about Revolut's security and how this had happened, but I'm afraid I'm not going to be able to give those answers. The security precautions taken by a business are by necessity confidential and I don't think they particularly help with this complaint. What is relevant is that Revolut recorded a device change which was authorised after a text message was sent to the registered mobile phone for Mr C. Revolut had no reason to doubt this was incorrect at the time, but coupled with Mr C's concerns they could have acted differently, which may have prevented Mr C's losses.

So, whilst I understand and appreciate Mr C's position and the points he's raised, I'm not persuaded that anything further needs to be done by Revolut. Mr C wanted an apology from Revolut which they included in their final response letter to Mr C. Whilst it doesn't cover everything he wanted, Revolut accept they let him down and I think this is a fair and reasonable way for the complaint to be recognised. As Mr C received a refund for his losses, I'm not asking Revolut to do anything further.

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 C to accept or reject my decision before 11 March 2022.

David Perry
Ombudsman