

The complaint

Mr C complains that Revolut Ltd had a technical issue which led to his card declining at a shop multiple times.

What happened

Mr C says he had a new Revolut card which he had been using overseas. He says that Revolut had changed the security settings of the card, but he wasn't made aware of this. He says he had been using the card overseas for a number of weeks in the same overseas country, but his card declined several times, which resulted in him having to unpack and repack his shopping and caused him a lot of embarrassment as a disabled person, which he says Revolut were aware of. Mr C made a complaint to Revolut.

Revolut did not uphold his complaint. They said that his card was declined due to the geolocation security settings, and they provided him with the steps to turn the feature off. They signposted their website which says that they compare the last known location of Mr C's device and the location where he is making a payment in order to protect him. They said this way, if a card gets stolen, and someone tries to use it in a very different location, the payment is automatically declined, and a notification is issued in the application (app), so the user is aware. Mr C brought his complaint to our service. He said the card had been used in the same geographical location since 2019 and it had worked faultlessly in that location up until the sequence of failed transactions. He said that it has since worked after this date without him altering any settings on the app in the same location and the issue was likely to be with the app updating.

Our investigator did not uphold the complaint. He said he'd reviewed the transaction data for each declined transaction which Revolut have supplied. He'd also looked at the transaction data for successful card payments prior to this and compared them with Mr C's declined transactions and the difference between the two is that the geolocation mismatch was causing the transactions to be declined on 3 May 2022. He said Revolut confirmed that the geolocation security feature has been available since 2020 and they guided Mr C to the relevant information about this on their website after he had a chat with them. He said the evidence suggested it more likely than not that there was a Global Positioning System (GPS) issue with Mr C's device at the time, which was causing the mismatch.

Our investigator said that he had asked Revolut for evidence of any similar issues being reported at the same time due to an app update. He said Revolut sent him a screenshot of their notifications between 1-7 May 2022 about app related incidents which affected the geolocation feature, but they had no other reports at this time. He said Revolut explained that the location may not have updated due to loss of signal which could be network or device related. They said at the time of the transaction, they compare the last location received from their customer's device against the merchant's location. If the system identified a mismatch, then the payment is declined. Mr C asked for an Ombudsman to review his complaint as he felt very strongly that Revolut were at fault.

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.

I'd like to explain to Mr C that it is not within this service's remit to tell a business how to run their security procedures. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Revolut to make changes to their policies and procedures, if necessary. Our service acts as an informal dispute resolution service for complaints about financial businesses. We look at the circumstances of individual complaints and, on a case by case basis, taking into account relevant industry guidance for example, make findings about whether a financial business has failed their customer.

Banks and building societies have an obligation to try and keep their customers' accounts safe and prevent fraudulent transactions. Sometimes they identify and block legitimate payments that a customer wants to take place. This can cause distress and inconvenience to a customer – but it doesn't necessarily mean they have acted incorrectly. I've read everything that Mr C has said about the impact the events had on him on 3 May 2022, especially as he is disabled, so I know why this issue is important to him.

Mr C had six transactions which declined at the same location, for the same amount. As Revolut have explained the transactions had declined due to geolocation reasons, I've had an in depth look at the audit of the transactions. As the geolocation security feature compares Mr C's phone's last known location with the location of the card terminal at the point of the time of the payment, and if the two locations do not match the transaction will be declined, I've had a look at what locations were reported by the GPS showing on the audit from the last successful card payment Mr C made and the location which was reported by the GPS where the transactions were declined. It's important to note that Revolut do not provide the GPS information as they've already explained it is the phone's last known location and the location of the card terminal at the time of payment which gives them the GPS information.

Mr C's last successful card payment prior to the declined payments was on 30 April 2022 at 9:33pm for 50.07EUR. The in depth audit of this payment shows a number of items of information about what the merchant (shop) has reported. One of these pieces of information is the city. So I've looked at the city the payment was reporting and compared this to the in depth audit of the declined payments. But the declined payments were being reported by the merchant in a different city completely. I've looked online at the distance between the two cities where the successful transaction happened on 30 April 2022 and the declined transactions on 3 May 2022 happened and these locations appear to be 491km apart. So on this basis, it appears that Revolut's security feature acted in the way it should have done and the transactions were declined.

It's been suggested that it could be Mr C's phone that might have been displaying an incorrect GPS location or that there could have been network issues. But I'm persuaded that the evidence shows the merchant's card terminal was showing an incorrect location in a city which Mr C wasn't in at the time, based on him saying he uses his card in the same location.

I've considered what Mr C has said about the card working faultlessly in that location since 2019, up until the sequence of failed transactions. I've looked at his account transactions for 2022, up until the date that the sequence of failed transactions happened. The transactions show the name of the shop is the same. The description shows the same name followed by different wording. So this could mean that Mr C has visited the same shop where his card was accepted on 30 April and it was declined on 3 May, but due to how at least one of the merchant terminals are displaying the merchant location and description on his transactions,

this is why he may be able to use the same shop but have a different outcome in the transactions being approved on these two dates.

I've also had a look at the previous ten successful transactions prior to his declined transactions, to see what city the merchants were showing in. And all of them were showing in the same city. This was a different city to the merchant involved with the declined transactions. So I'm not persuaded the fault was with Revolut here as it appears the declines were a result of at least one of the card terminals in the shop that Mr C attempted to pay for his shopping on 3 May, for the reasons I've already given.

I've considered the strength of feeling that Mr C has that the issue was likely to be with Revolut and with their app updating. But as our investigator has explained to him, Revolut have proved they had no known geolocation issues with the app around and on the date that the transactions were declined. So I've not seen any evidence to show the declines were due to an app error - or any Revolut error, as opposed to the in depth audit showing the merchant location being reported in a different city and that's why the payments were declined.

I have also seen evidence that Revolut sent Mr C a notification to his phone on six occasions – after each declined transaction, that the transactions had declined due to the geolocation mismatch. So Mr C would have been aware at the time that this was the reason for the declined transactions unless he had turned notifications off for the app or had any network issues. But if he had turned his push notifications off or had any network issues, it would not be reasonable to hold Revolut responsible for this as this would be outside of their control, when they've proved they sent the push notifications.

There's no doubt that Mr C was distressed as a result of the events which happened on 3 May 2022, as his card was declined several times due to issues outside of his control, especially based on his health situation at that time adding to the distress he had. But in order to uphold this complaint, I'd need to be satisfied that Revolut made an error in how they've applied their geolocation security measures that they detail on their website. Based on the reasons I've already given, the evidence shows that the reason for the declines is at least one of the merchant terminals at the shop he visited on 3 May showed a location in another city. So it follows I won't be asking Revolut to do anything further.

My final decision

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 2 January 2023.

Gregory Sloanes
Ombudsman