

The complaint

Mr I is unhappy that Revolut Ltd won't refund a transaction he didn't authorise.

What happened

- Mr I's partner received an email saying they had sold something they were selling online. After following the link, Mr I shared his card details and a onetime passcode – he thought this was to receive the payment for the item they'd sold.
- Moments later, a card payment using Google Pay was made from Mr I's account for £2,299.67. Mr I raised this with Revolut. It declined to refund the payment – it said it couldn't proceed with a chargeback claim and it referred to its terms and conditions about sharing security details.

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.

- Revolut seem to have accepted Mr I didn't authorise this transaction. I agree. As per the Payment Services Regulations 2017's description of when a payment is authorised, I don't think Mr I consented to it using the form and procedure that was agreed between him and Revolut. Instead, Mr I was tricked into sharing details which allowed a fraudster to add Google Pay to their device. The fraudster then made the transaction.
- In saying this, I have noted Revolut's comments that under chargeback rules, a payment that passed 3D Secure verification is authorised. But the transaction details don't suggest this was an online transaction, so I'm not convinced that 3D Secure is relevant.
- So, in line with the PSRs, the starting position is that Revolut is liable for the unauthorised transaction. But Mr I can be held liable where he failed with intent or gross negligence to comply with the terms of the account and keep his personalised security details safe.
- Revolut hasn't suggested this happened because Mr I failed with intent. It noted he shared details with his partner, but it accepted he would've likely acted in the same way. Instead, Revolut submitted that Mr I failed with gross negligence.
- Having considered the circumstances carefully, I'm not persuaded he did. I'll explain why.
- Mr I shared his card details as he thought they were needed to receive a payment for something he and his partner had sold. I don't think it sounds implausible that card details would be needed to receive a payment. I've also considered that the webpage looked convincing – it had the online marketplace's name in the website address and

referenced the specific item they were selling. So I don't think Mr I was significantly careless for sharing this information – I think lots of people would've done.

- After inputting the card details, the webpage asked for a onetime password that had been sent to Mr I's phone – it said this was to confirm his bank details. I can see how this sounded persuasive to him at the time – after all, people are genuinely asked for onetime passwords from various organisations to confirm their identity. And given that Mr I was primed to expect the password, I can see how he shared it without realising its actual purpose to set up Google Pay. I don't think it meant he seriously disregarded an obvious risk.
- So, in all, I think Mr I was tricked into sharing information by a clever and convincing scam – and I'm not persuaded he failed with gross negligence. So, in line with the PSRs, I conclude that he isn't liable for the transaction and Revolut needs to put things right – by refunding his losses from this unauthorised transaction alongside interest to compensate him for the time he's been out of pocket.

My final decision

For the reasons I've explained, I uphold Mr I's complaint. Revolut Ltd must:

- Pay Mr I the total of the unauthorised transaction, less any amount recovered or already refunded – I understand this to be £2,299.67.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised transactions to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 26 January 2023.

Emma Szkolar
Ombudsman