

The complaint

Mr T complains that Revolut Ltd won't refund payments he says he didn't make.

What happened

Mr T says that in the early hours of 10 December 2021 his phone was stolen. Mr T says he was able to get a new sim card and got an old phone of his working at around 4pm on 10 December 2021, and later in the evening he realised that a large amount had been spent using his Revolut account. Mr T contacted Revolut to say that he had not authorised any of the payments made on 10 December 2021, he said he had already changed his Revolut password.

Revolut investigated and decided not to refund the disputed payments. As Mr T didn't agree with Revolut's decision, he asked us to investigate.

Our Investigator didn't recommend the disputed payments should be refunded. In summary, they felt that there was evidence to suggest that Mr T had authorised the payments.

Mr T disagreed, so the case has been referred to me for a final 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.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Mr T is responsible for any payments that he has authorised (either by making them himself or allowing someone else to) and he isn't responsible for unauthorised payments. So, the key question here is whether Revolut has acted fairly in concluding that Mr T did authorise the disputed payments.

It seems clear that Mr T's phone and log in details were used to make the payments in question. But the regulations relevant to this case say that is not, on its own, enough to enable Revolut to hold him liable. So I also need to think about whether the evidence suggests that it's more likely than not that Mr T consented to the payments being made.

Mr T says his phone (phone 1) was stolen at around 3am on 10 December 2021. A number of transactions were made with retailers over the next few hours using phone 1. Mr T used an old phone (phone 2) to look at his Revolut account after his existing phone was stolen and contacted Revolut via its chat service that evening.

Revolut has sent us extensive records of the mobile log ins and activity on Mr T's account for the 10 and 11 December 2021. Those records show the device used to log in, the time and date of each log in, and the general location of each log in.

In its submission to us Revolut has noted:

- Mr T logged into his Revolut account using phone 2 at 11:29 on the 10 December 2021, when around £5,000 had already been spent on his account, but did not raise any concerns about unusual spending at that stage
- Mr T changed his passcode for his Revolut account at 10:48 on 11 December 2021 using phone 2, but phone 1 was still able to log into his Revolut account after this even though there would be no way any thief would know the new passcode
- Phone 1 and phone 2 appear to have both been used to log into Mr T's Revolut account from the same locations

From what I've seen, I don't think it's unreasonable for Revolut to conclude that Mr T more likely than not authorised the transactions. The evidence Revolut has supplied of how Mr T's two phones were used during the period in question is, in my opinion, enough to cast doubt on Mr T's version of events.

I appreciate that Mr T has sent us details of a news report about fraud on Revolut accounts, but nothing in that report changes my view that Revolut has acted fairly in declining to refund these disputed payments. I also acknowledge what Mr T has said about how unusual the spending on his account was, and that he thinks Revolut should have stopped the payments as potentially fraudulent, but given that I consider it's more likely than not that he did authorise the payments or otherwise allow them to be made, I don't think any earlier intervention by Revolut would have made a difference here.

Taking everything into account, I think, on balance, that Revolut was reasonable to conclude that Mr T more likely than not authorised these payments. It follows that Revolut is entitled to hold him liable for them.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 12 January 2023.

Sophie Mitchell
Ombudsman