

The complaint

Mr F complains that Revolut Ltd won't refund payments he says he didn't make from his account.

What happened

Mr F disputes three card payments on 5 June 2022 to a retailer which came to just under £4,500. These were funded by top ups to his Revolut account from his current account at a different financial business. And in turn that account had received a loan of £10,000 Mr F said he didn't take out. This happened after he reports his mobile phone had been stolen.

Revolut said that it wouldn't be refunding this money. There had been no unauthorised access to his account detected. And the payments had been confirmed through the app. So, it thought Mr F had made them.

Our investigator didn't recommend that the complaint be upheld. He said that he thought it was unlikely that a third party could have accessed Mr F's phone and then the app. And to have obtained the details required to make the transactions. Mr F had said that his phone was protected with a passcode. And a third party would also have needed to access the app using a different passcode to create a 'virtual card' and make these payments. There was no evidence that the passcode had been changed before these payments. The details for the orders relating to the payments had Mr F's correct details including his address and the related items were later collected. Mr F had asked that Revolut make a chargeback. The speed of response to that was affected because he had closed his account on 7 June 2022. But he thought that Revolut's decision then not to raise a chargeback was acceptable.

Mr F didn't agree and wanted his complaint to be reviewed. He said he didn't accept our investigator's view that a third party hadn't been involved. And he said that *"However unlikely, the fraudster gained access to the device by means I am unaware of and carried out the fraudulent activity."* Mr F said he wanted an ombudsman to consider the evidence he'd provided in relation to his other bank account and that this added weight to the involvement of a fraudster. Mr F stressed the impact that this was having on him personally.

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.

This service provides informal dispute resolution and we aren't a court. I won't be able to say *exactly* what happened and I'm thinking about what is *most likely* on the balance of probabilities.

I need to take into account the Payment Services Regulations 2017 in considering this complaint. These state that a payment can only be authorised if it was consented to. So, it's

not enough for it to be authenticated, with security details. And if they weren't authorised Mr F wouldn't generally be responsible for them.

The information is that a virtual card was set up from the app on 5 June 2022 and the payments were made using this card. Revolut has said that these payments required additional verification and that this was done through responding to 'push notifications' through the app. I'm satisfied from the payment log I've seen that these payments were authenticated.

I appreciate that what happened on the Revolut account is part of what Mr F describes as a more complex fraud starting in the early hours of 5 June 2022. I need to make clear that I won't here be looking at what other financial businesses did and I'm only looking at a complaint about Revolut. However, I note Mr F has raised consistent complaints with those other businesses. In any event I can see that there were multiple top up requests from the information Revolut has provided and that not all these were successful. And that further funds became available from a loan that Mr F has shown was credited to his other bank account. And he's also explained that a transfer limit at that bank prevented any more top ups being made. I also note his comments about the goods themselves and that these were collected from a store some distance from his home address and that he says he didn't do so. I know our investigator mentioned to him during a call that even if that was the case this wouldn't rule out him allowing someone else to collect the goods.

Mr F's version of events isn't impossible. But from the response I quoted from him above he can't really explain what happened and how his details were discovered. I appreciate that fraudsters can be sophisticated and opportunistic, and Mr F has speculated about whether someone could have taken his phone while it was still unlocked or managed to bypass the passcode. And that once this happened his personal information was available through emails and his app passcode may have been guessed as it was based on personal information. He also wants me to look at the wider pattern of a loan being taken out in the early hours and used in this way. And that the goods purchased were in the main high value computer items. He's stressed the lengths he's gone to report this to Action Fraud and to follow this through with all the businesses involved. He's sure no one close to him would have done this and says that this had to be a third party.

I've taken all that into account and understand his position on this complaint. But the question I need to address is whether it's most likely that things happened in this way and that his details at Revolut were somehow compromised. And having balanced what he says with what I know from the evidence about how the transactions were made I'm afraid that I don't think that the *most likely* explanation is that an unknown third party was able to make these payments without his consent.

Having made that finding I consider it reasonable that Revolut held Mr F responsible for the payments as being authorised. I can appreciate how disappointed he will be given what's at stake for him. If he doesn't accept my decision he remains free to pursue this matter in court subject to any relevant time limits.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 20 January 2023.

Michael Crewe
Ombudsman