

The complaint

Ms A has complained that Revolut Ltd unreasonably refused to refund transactions withdrawn from her bank account after she said her phone was stolen in a nightclub.

What happened

Ms A said she was in a nightclub abroad and her phone was stolen on the night of 10 March 2022. She later discovered money was moved from her Revolut account to an unrecognised account and then from another savings account she held with a third party bank into her Revolut account and then out to this unrecognised account. This meant the fraudster not only had to access her phone but the Revolut app and then the savings account app. Ms A said her phone and apps were protected by both passcodes and Face ID, and she had not shared the details with anyone.

Revolut said there was no failed authentication issues when its app was accessed and given the security protection, it was of the view that whoever accessed her account on her phone knew of her log in passcodes. So, it refused to refund the transactions.

Ms A brought her complaint to us. The investigator didn't think it should be upheld. Ms A didn't agree so her complaint has been passed to me to decide

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.

Having done so, I'm not upholding this complaint I'll now explain why.

We asked Revolut to send us in the log in details for its app on Ms A's phone. It's clear the phone app was used extensively throughout 12 March 2022 after Ms A said it was stolen, or that she lost it. Then there was a gap until it was used again extensively through 15 March and 16 March 2022 when the disputed transactions occurred. On 12 March 2022 there is some money in the Revolut account, but it's not taken at this stage, which seems odd behaviour for a thief, as why would they leave it in there when they could access it.

Ms A said her savings from another account was transferred by the thief to her Revolut account. However, the evidence there shows this account wasn't accessed by her phone on this trip abroad until 15 March 2022.

Very importantly it's also clear that Ms A activated her 'lost mode' for her phone on 14 March 2022, which in effect blocks any access to her phone. And whoever had the phone appears to have been able to bypass the lost mode which can only suggest they had full access to the security details of the phone. This is because Miss A's Revolut account with the added funds from her other savings account were not transferred from her Revolut account until 16 March 2022.

So, on this basis, I can't see how anyone else could have accessed her savings in the other account to transfer the money to the Revolut account and if they could have, then why wouldn't they have done so much earlier. And I think the same for the funds in the Revolut account too. The gap in time plus the extensive use of the app on 12 March doesn't match normal behaviour for a thief in my view, more so since Ms A her phone was missing from night of 10 March or early morning of 11 March 2022.

Revolut has shown the disputed transactions were properly authenticated and that only Ms A's phone was registered to the app. Revolut has also shown there were no failed log ins where someone was trying and failing to gain access the app. That in turn shows whoever was accessing the phone knew the security details both for her phone and the apps. Ms A said she has not shared them with anyone, and they weren't written down anywhere.

So based on this evidence, I don't consider Revolut did anything wrong in refusing to refund the disputed transactions to Ms A because I consider it is more likely than not the transactions were conducted by Ms A or by somebody else with her knowledge or authority.

My final decision

So, for these reasons, it's my final decision that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 11 May 2023.

Rona Doyle
Ombudsman