

The complaint

Mr W complains Revolut Ltd is holding him liable for payments he didn't make.

Mr W is being represented by his mother, Mrs W, in bringing this complaint.

What happened

In April 2023, Mr W reported several card payments to "H" as unauthorised. Revolut declined to refund him, saying it couldn't find any signs of unauthorised use of his account.

In June 2023, Mrs W reported further payments as unauthorised on Mr W's behalf. That included further card payments to H; card payments to other merchants; and two bank transfers to the same recipient. The disputed transactions took place between July 2022 and May 2023. Revolut declined to refund Mr W and closed his account.

Supported by Mrs W, Mr W complained to Revolut but it maintained its position. Mr W and Mrs W then referred the matter to our service. Our investigator concluded the payments were likely authorised, and that Revolut had acted reasonably in closing the account.

Mr W appealed the investigator's outcome. Mrs W said Revolut's statements said over £9,600 had been paid in and sent out of the account, but Mr W never had this much money – and the total didn't tally with the transactions. She also said the money used was from a savings vault, and the investigator hadn't considered that a fraudster shouldn't have been allowed to access this money.

The investigator explained the total spending Mrs W referred to hadn't fed into his outcome. They explained they had considered that transactions had been funded by withdrawals from the savings vault – as well as incoming payments from Mrs W. They thought that made it appear *more likely than not* the payments were authorised – explaining that was our standard for evidence (rather than needing to be sure beyond reasonable doubt, as Mrs W has suggested). They disagreed with Mrs W that the payments looked suspicious. As no agreement was reached, the case was 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've decided not to uphold it. I'll explain why.

Under the Payment Services Regulations 2017 (PSRs), Revolut is expected to execute authorised payment instructions without undue delay. So if Mr W authorised a payment, he would generally be liable for it. But if payments were taken from his account which he didn't authorise, Revolut would generally be expected to refund him.

Broadly, under the regulations, whether a payment is authorised comes down to whether Mr W – or someone acting on his behalf – completed the agreed steps to make a payment. Such as entering the card details on the merchant's website and completing "3DS" authentication (which generally involves accessing the app, or entering a code sent by text or email). Or entering payee details and a payment amount in the Revolut app.

It's worth noting that, if Mr W granted someone access to make a payment – such as by sharing his card details or app login details, or letting someone access his app – he would be liable for the payments they made using that access. That applies even if their actions went beyond what Mr W was expecting or knew they would do.

Here, Mr W says he didn't authorise the disputed payments – but Revolut thinks he did. As our investigator explained, it's therefore down to our service to decide what's *more likely* to have happened on the balance of probabilities.

The payments Mr W disputes making date back to July 2022. They are numerous, spread out, and occur in amongst undisputed payments. They use various card details, as well as different payment methods – such as 3DS authentication and bank transfers. As Mrs W has highlighted, some were also funded by withdrawals from Mr W's savings vault.

That means, in order to make all these payments, an unauthorised person would have needed access to various card details, as well as Mr W's Revolut app, over an extended period of time and without him noticing. We've asked Mr W for anything that might explain how an unauthorised party could have got this access without his involvement. His responses don't make it clear how they could have done.

The timespan does also feed into my determination of what is likely to have happened. If an unauthorised party had such wide-spanning access to Mr W's payment details over such a long period, it does seem odd that he wouldn't have noticed the disputed payments earlier. They occurred in amongst undisputed payments. And the account use suggests awareness of how the account had been used.

For example, when the available funds are spent – both for disputed and undisputed spending – this is often followed by a top-up to the account from Mrs W. Or (from 2023) a withdrawal from savings. Which does raise a question over why these payments weren't disputed more promptly if not made by Mr W.

I'm aware Mrs W has suggested the savings withdrawals weren't authorised by Mr W. But there were also deposits being made into his savings in between the withdrawals. Ultimately, I'm not persuaded there is a plausible explanation for how an unauthorised person could have got access to withdraw from Mr W's savings – in addition to using his card details.

The individual payment amounts were also modest and spread out. They didn't always drain the account. If someone had such wide access to Mr W's account, it does strike me as unusual and unlikely they would have made use of this access in this way – taking small amounts over a long period of time, and sending them to different merchants and recipients, rather than maximising use of the funds.

Turning to Revolut's audit information, I can also see Mr W initially confirmed (in April 2023) using all the devices Revolut identified as having been used to access the account. While some of his responses later changed – such as saying he couldn't remember using a tablet he had previously confirmed was him – he consistently confirmed using his phone and a browser to access the account.

Mr W's phone was used to view his card details on the day of a disputed payment. And the IP address this was done on matches that used to access his account – on both his phone and a browser – on the day Mr W first disputed some of these payments. This was also the same day as the disputed bank transfers. Despite contacting Revolut after those transfers had been sent, they weren't disputed until Mrs W reported them as unauthorised several months later.

I appreciate Mrs W has provided statements for Revolut, and says the total amounts listed on them are incorrect. However, I don't consider that relevant to the complaint issue referred to me – namely, whether it's fair for Revolut to conclude Mr W authorised the payments (and also whether it acted fairly in closing his account). I'm satisfied I have received enough information from Revolut to decide this matter on the balance of probabilities.

Overall, for the reasons I have set out, I consider it likely Mr W authorised these payments. I can't see how someone acting without his authority could have got the level of access needed to make these payments. And I consider it unlikely Mr W wouldn't have been aware of his dispute sooner if that had occurred.

Mrs W has characterised the disputed payments as suspicious. But I'm not persuaded the amounts looked that concerning, nor that the merchants looked particularly unusual in amongst the undisputed spending on the account. As they occurred over such a long period, they made this type of spending appear common and expected for Mr W's account. Furthermore, as I have found they were likely authorised by Mr W, and having considered all the circumstances, I don't think that means Revolut holds liability for the payments.

I've also considered the points raised around Revolut closing Mr W's account. The terms and conditions he signed up to explain Revolut can close an account in the following circumstances:

- *if we have good reason to suspect that you are behaving fraudulently or otherwise criminally;*
- *if you haven't given us (or someone acting on our behalf) any information we need, or we have good reason to believe that information you have provided is incorrect or not true;*
- *if you've broken these terms and conditions in a serious or persistent way and you haven't put the matter right within a reasonable time of us asking you to;*
- *if we have good reason to believe that your use of the Revolut app is harmful to us or our software, systems or hardware;*
- *if we have good reason to believe that you continuing to use your account could damage our reputation or goodwill;*
- *If you behave in a disrespectful or abusive way to our Support or other staff, for example by harassing or insulting staff members or using offensive language while communicating with them;*
- *if we have asked you to repay money you owe us and you have not done so within a reasonable period of time;*
- *if you've been declared bankrupt; or*
- *if we have to do so under any law, regulation, court order or ombudsman's instructions.*

Ultimately, Revolut has some legitimate commercial discretion over who it will provide payment services to. Having considered the account terms, I'm satisfied Revolut applied them fairly when deciding to close Mr W's account.

Overall, while I appreciate this will be disappointing for Mr W, I don't think it would be fair and reasonable to direct Revolut to take further action to resolve his complaint.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 July 2024.

Rachel Loughlin
Ombudsman