

The complaint

Mr P says Revolut Ltd refuses to refund him for transactions on his account he says he didn't authorise.

What happened

The facts of this case are well known to both parties, so I won't repeat them in detail here.

In summary, Mr P says his Samsung Note 10 phone was stolen from his hands in the early hours of the morning on 21 October 2022. Later that day two unauthorised transactions were made from his Revolut account, and several other unauthorised transactions were attempted. The two disputed transactions were both payments to a retail store in the amounts of £2,257 and £2,118. Both transactions were made via Android Pay using Mr P's Revolut card.

Revolut says it thinks the transactions in dispute were made by Mr P because its' records suggest the only device in use on the 21 October 2022 was a Samsung S7 device, which was not recorded as lost or stolen. It also says the card used was added to Mr P's Android Pay account in April 2022, and access to Mr P's phone and Android Pay would've required a passcode or the use of biometrics. So, it believes Mr P must have made these payments.

Our investigator considered this complaint and decided to uphold it in Mr P's favour. Revolut didn't agree so the complaint has been passed to me for a 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.

Generally speaking, Revolut is required to refund any unauthorised payments made from Mr P's account. Those rules are set out in the Payment Service Regulations 2017. Mr P has said he didn't carry out the transactions in dispute. So I have to give my view, based on the evidence provided, on whether I think Mr P did authorise the transactions or not.

Mr P says his Samsung Note 10 phone was stolen and so he couldn't have made the transactions. He has provided a clear account of what happened along with supporting evidence. This includes a police report, receipt from the purchase of his new phone and evidence from other banks to show their investigations into the fraudulent transactions on his other accounts. Mr P also explained that he immediately purchased a new SIM card and later, on 21 October 2022 he returned home and used this SIM in an old Samsung S7 phone. I've not seen any evidence to contradict what Mr P has said about the theft of his phone, so I think it's likely his phone was stolen as described.

During the time Mr P says he didn't have access to his Revolut account, two large top-ups were added to his Revolut account, and several declined transactions were also attempted. The two disputed transactions took place in a retail store in Manchester, and his card was

then blocked by Revolut due to suspicious activity. This activity is in-line with what we'd expect to see of fraudulent activity and is out of character for Mr P's usual account history.

Revolut questions how a fraudster would be able to access Mr P's device as it was protected with his fingerprint or PIN. We asked Mr P about the circumstances of the theft, and he explained that the phone was snatched out of his hands while walking alone in the early hours of the morning - so the phone was unlocked at the time. And Mr P's evidence is that he was at a bar beforehand. It has been known of fraudsters to target individuals in a bar or other crowded social environments and shoulder surf while using their phone PINs. Then later steal it from them and gain access to all their information. As the phone was unlocked at the time of the theft it would be easy for someone else to access his security settings and change the biometrics and PIN, had they already shoulder surfed him earlier using his phone PIN. I can't say for certain whether this happened to Mr P in this case but given all the other support evidence I've seen, I think it seems likely.

Revolut have also raised the point that their evidence suggests the only device active on Mr P's Revolut account at the time of the disputed transactions was a Samsung S7, which is not the device Mr P reported as stolen. Mr P reported a Samsung Note 10 stolen, which according to the same evidence was last used on Mr P's Revolut account a few days prior to the theft. However, this evidence doesn't persuade me that Mr P's Samsung Note 10 device was not used to make the disputed transactions, only that his Revolut account was accessed using a Samsung S7 at some point that same day. We have asked Revolut several times to provide evidence of the device that was used to make the disputed transactions but till date this hasn't been produced. Mr P's evidence is that he used his old Samsung S7 later the same day as the disputed transactions to access all his accounts and secure his details – so this correlates to the evidence Revolut is showing me. We also asked Revolut to provide any evidence that Mr P used his biometrics on the stolen device around the times of the disputed transactions, but this has also not been produced. So, I am not persuaded that this evidence suggests Mr P authorised the transactions.

Overall, I am not persuaded that Mr P authorised the transactions in dispute. So it follows then that I am upholding this complaint in favour of Mr P.

Putting things right

Revolut Ltd should refund the total of the two disputed transactions, plus 8% simple interest from the date of the payments till the date they are returned to him.

My final decision

I am upholding this complaint and Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 June 2024.

Sienna Mahboobani
Ombudsman