

## The complaint

Mr M is unhappy Revolut Ltd won't reimburse him for money he lost as part of a scam.

## What happened

Mr M recalled that in June 2023, he was contacted by someone who claimed to be from his bank. Broadly, they told him that someone had tried to use his account and to keep it safe, he'd need to open an account with Revolut and move his money there.

That day, Apple Pay was set up was set up using Mr M's Revolut card details and the following transactions were made:

Time	Description	Amount	State	Balance
15:35	Payment from Mr M's bank account	+£480	Successful	£480
15:42	Apple Pay top up	+£150	Successful	£630
16:00	Apple Pay card payment to 'Grab N Go'	-£480	Successful	£150
16:03	Card top up	+£400	Failed	£150
16:06	Apple Pay top up	+£150	Successful	£300
16:14	Apple Pay card payment to 'Grab N Go'	-£295	Declined	£300
16:16	Apple Pay card payment to 'Grab N Go'	-£295	Successful	£5

Mr M contacted Revolut to ask it to stop the payments because he didn't make or know about them. It declined to refund him, saying that the payments were authorised. It also explained that it couldn't generally stop card payments and that a chargeback claim wouldn't have been successful given how the payments were made.

Unhappy, Mr M brought his complaint to our service to investigate. In March 2024, I issued my provisional findings which explained why I wasn't minded to uphold the complaint. Revolut didn't reply and Mr M didn't have anything further to add.

## 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.

Given that neither side has added anything in response to my provisional findings, I see no

reason to depart from what I said. For completeness, I've explained my reasoning again below:

- The starting position, in line with the Payment Services Regulations 2017 (PSRs) is that Mr M is presumed liable for payments he authorised and that Revolut is liable for unauthorised payments.
- To decide whether these disputed payments were authorised, I've again got to consider the PSRs. Broadly, these explain that it depends on whether the payment transactions were authenticated correctly, and whether he consented to them.
- It's not disputed here that the transactions were authenticated correctly using Apple Pay with Mr M's virtual card details and the device's relevant PIN/biometrics.
- So I've gone on to consider whether Mr M gave his consent. The PSRs state consent must be given in the form, and in accordance with the procedure agreed between Mr M and Revolut. In other words, consent happens when Mr M uses the steps agreed for making a payment. It's also possible for someone else to act on Mr M's behalf and use these agreed steps.
- I can't be certain what happened. But civil disputes like these are only ever decided on the balance of probabilities – in other words, what's more likely than not to have happened.
- Here, I accept it's unlikely that Mr M made the payments himself – as the records show his card details were registered to a separate Apple device which was used to make the payments.
- But having reviewed the evidence carefully, I'm persuaded it's likely Mr M knew, or really ought to have understood, that his actions meant that someone else could authorise payments from his account. In saying that I've considered:
  - Mr M must have shared his virtual card details for them to have been used to set up Apple Pay on another device. But he's not been able to explain how this happened.
  - Mr M says he wasn't aware of the transactions, but he was using the app throughout the duration of the payments. This included making a top-up that facilitated the last disputed payment.
  - He's said he made several top-ups because the caller told him to transfer his money incrementally. But this doesn't explain how Mr M wouldn't have noticed or tried to stop the payments from his account – for example, by blocking his card.
  - Revolut's systems initially declined the last disputed payment as it thought it looked suspicious and it subsequently blocked the card. But shortly afterwards, Mr M used the app to unblock the card and the payment was reattempted successfully.
  - Mr M explained he did this as, by this stage, he didn't think any more damage could be done. But that means he was aware payments were being made. And it's unclear what the basis for this belief was, as he'd only just topped up the account – and I think it's likely he could've seen there was still a balance

on the account.

- Indeed, I note that shortly after the final payment, it seems that Mr M blocked the card again. So it seems he did appreciate the significant of doing this.
- Taking this all into account, I think it's likely Mr M understood he'd allowed someone else to consent to payments. It follows that I believe Revolut acted fairly in treating them as authorised payments.
- While this means Mr M is presumed liable for the payments, it's not the end of the matter. There are some situations where we think it's fair to say that Revolut ought to have identified a fraud risk, so should have enquired about at the wider circumstances surrounding a payment before making it.
- I've considered whether that's the case with these disputed payments. Given the amounts involved and that these were card payments to a merchant, I think it's reasonable that Revolut didn't detect a fraud risk and question the first two payments.
- It did, however, decline the third transaction and blocked Mr M's card, explaining that he could unblock the card to continue using his account (which he subsequently did.) In the circumstances, I think that was a reasonable and proportionate response to the risk. Afterall, it was still a relatively low amount, and this would've given Revolut reassurance that Mr M was aware of the payment.
- It follows that I don't think Revolut can be fairly blamed for failing to stop his losses. I've finally considered whether it ought to have done more to recover the money when he reported the payments.
- I appreciate Mr M's point that the payments showed as pending so he thought Revolut could reverse them. But a pending transaction means the merchant's been authorised to take the money but it's pending their bank collecting it. So it's not something Revolut can simply stop, as it risks, for example, merchants not receiving money for goods they've already provided.
- I also don't think there were any other viable means for Revolut to recover the payments. I note a chargeback was mentioned when Mr M raised the dispute. This is a voluntary arbitration scheme run by Mr M's card issuer that can provide a refund in certain circumstances. But given how these payments were made and the rules of the scheme, I don't consider there was a reasonable basis for submitting a claim, as I don't think it was likely to succeed.
- I recognise this will be disappointing news for Mr M. But based on what I've seen, I'm satisfied it was fair to regard these disputed payments as authorised – and I don't think Revolut can be fairly blamed for failing to stop or recover his losses. It follows that I don't uphold the complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 May 2024.

Emma Szkolar

**Ombudsman**