

The complaint

Miss D has complained about the way in which Revolut Ltd handled some transactions she didn't authorise.

What happened

In November 2023, Miss D's phone was stolen and used to make £375 of bank transfers.

She reported this to Revolut, and they initially held Miss D liable for the payments as they didn't find signs of an account takeover.

Miss D came to our service, and on a second review, Revolut accepted that Miss D had not authorised the transactions. They refunded the payments in March 2024, and offered Miss D £60 compensation for the distress and inconvenience caused.

Our Investigator looked into things independently and found the offer to be fair. Miss D appealed, as she didn't think the offer quite took sufficient account of the time, energy, and frustration involved for her. So the complaint's 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.

First of all, I do appreciate that Miss D was subjected to fraud. I can see the fraudsters caused her a great deal of trouble and upset, for which she has my sympathy. It must have been most distressing to be targeted by fraudsters like this, and it cannot have been an easy time for Miss D sorting things out. I'm grateful to Miss D for being open with us about how this matter made her feel.

It's worth keeping in mind that it's the fraudsters who stole Miss D's phone and committed the fraud, and so it's the fraudsters who are primarily responsible for the fraud and the resulting stress. But in this complaint against Revolut, I can only look at what Revolut are responsible for. That's a key point here, because even if Revolut had done everything right, it still would have been distressing for Miss D to be targeted by criminals like this. Miss D would still have faced a good deal of frustration, would've still suffered great inconvenience at being without her phone, and still would've needed to put time and effort into sorting things out regardless. For example, she would still have needed to report things, replace her phone and SIM, re-download her apps, secure her accounts, and so on.

When something like this happens, my first concern is that the customer hasn't lost out financially. Revolut do have a responsibility for refunding unauthorised payments they let through. I'm glad to hear that Revolut agreed to refund the disputed payments, so that Miss D hasn't lost out there.

Of course, I think both sides accept that Revolut took too long to get to that refund. The way Revolut dealt with things did add to Miss D's stress, and it meant she had to spend some more time and energy on this than she would have otherwise. In terms of putting things right, it's worth keeping in mind that we're an informal dispute resolution service, rather than the regulator, so we're not here to issue fines or to punish businesses. We'd normally ask Revolut to add simple interest onto the refund at the rate of 8% simple per year, to compensate Miss D for the time she was without her money. Here, that would come to about £10. So that is more than covered by the offer of £60. And as set out, while I can see that Revolut added to Miss D's stress and inconvenience, the bulk of what she suffered was really caused by the fraudsters rather than Revolut. Taking into account the impact Revolut's actions had on Miss D, along with the guidelines for compensation which I must be consistent with, I find that the offer of £60 compensation is fair to put things right here.

My final decision

For the reasons I've explained, I find that Revolut Ltd's offer – to refund the disputed payments and pay Miss D an additional £60 compensation – is a fair way to resolve this case. Revolut Ltd should carry out their offer, if they've not done so already. I do not make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 9 October 2024.

Adam Charles
Ombudsman