

## The complaint

Mr O has complained that Revolut Ltd won't refund transactions he says he didn't make or otherwise authorise.

## What happened

Late one night in summer 2023, Mr O's Revolut card was used for a mixture of cash withdrawals and rapid point-of-sale payments while he was abroad.

Mr O has explained that his wallet was stolen. He blocked the card, reported the matter to the police, and replaced the ID in his wallet. He said he hadn't recorded his PIN anywhere or told it to anyone, and it wasn't a number one could easily guess. But he did use the same PIN for all his different cards.

Revolut held Mr O liable for the payments in dispute, saying it couldn't do a chargeback when the PIN had been used.

Our Investigator looked into things independently and didn't uphold the complaint. Mr O didn't agree, so the complaint's been passed to me to decide.

I sent Revolut and Mr O a provisional decision on 30 July 2024, to explain why I thought the complaint should be upheld. In that decision, I said:

*First, I should explain to Revolut that a chargeback is just a voluntary scheme and just presents one way of trying to get a customer's money back. While it's generally good practice to try a chargeback where appropriate, under the Payment Services Regulations Revolut is responsible for refunding unauthorised payments regardless of the outcome of any chargeback. It's the Payment Services Regulations which I'll be relying on in this case – the chargeback scheme rules are not really relevant here.*

*Revolut's technical evidence shows that the payments in dispute used Mr O's genuine card, and the correct PIN. But this is not enough, on its own, for Revolut to hold Mr O liable – it also needs to be able to evidence that Mr O consented to the transactions, or that he failed to keep his account safe either intentionally or through acting with gross negligence. Otherwise, Revolut has to refund the transactions.*

*The main question here is how a thief might have learned Mr O's PIN. He didn't record it anywhere or tell it to anyone, it wasn't a number that was simple to guess like his birthday, and it's exceptionally unlikely that it was guessed at random. And Mr O had not used his Revolut card for any PIN-based payments in the recent hours before the disputed activity.*

*However, Mr O has explained that his PIN was the same across all of his cards. From speaking to the other businesses involved, it does look like Mr O set his own PIN. Revolut say Mr O didn't set his PIN, but it also repeatedly declined to provide any evidence of this, so I cannot rely on what Revolut said there. And I can see that Mr O made some genuine payments on the relevant dates on his other card, which gave a potential opportunity for a thief to watch him enter his PIN then steal his wallet. So there does appear to be a potential plausible way that someone could've learned his PIN without his permission.*

*The disputed payments across the cards follow a fairly typical pattern of fraud, involving attempted cash withdrawals up to and over the limits, and rapid point-of-sale payments quickly draining the accounts. The person using the cards also kept trying to use them after Mr O blocked them, which would be rather unusual if they were acting with Mr O's consent.*

*Mr O's behaviour appears to support him being the victim of theft. From what I can see, he blocked his cards after logging into his online banking and seeing the disputed activity. He reported the matter to the police. And he's shown that he replaced the ID in his wallet soon after returning from abroad.*

*So taking into account everything that's been said and provided so far, I find that Revolut has not sufficiently shown that these payments were authorised. It's also provided no evidence which shows that Mr O failed to keep his account safe either intentionally or through gross negligence, and I've found no good reason to say that he did. While using the same PIN on all of one's cards may well be considered careless, it does not quite meet the bar of gross negligence or an intentional failure to keep one's account safe.*

*So based on what I've seen so far, I don't think Revolut can hold Mr O liable for the payments in dispute.*

I said I'd consider anything else anyone wanted to give me. Revolut accepted the provisional decision. Mr O let us know that he had nothing more 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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **Putting things right**

I direct Revolut Ltd to:

- refund the disputed transactions along with any related fees;
- pay simple interest to Mr O on those transactions, at the rate of 8% simple a year, payable from the date they were last debited until the date they're returned. This is to compensate Mr O for the time he didn't have his money.

If Revolut considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr O how much tax it's taken off. It should also give Mr O a tax deduction certificate if he asks for one. Mr O may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

### **My final decision**

I uphold Mr O's complaint, and direct Revolut Ltd to put things right in the way I set out above.

If Mr O accepts the final decision, Revolut Ltd must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 September 2024.

Adam Charles  
**Ombudsman**