

The complaint

S, a limited company, has complained Revolut Ltd won't refund them for over £85,000 worth of transactions made from their account by a fraudster.

What happened

There are three directors of S being Mr and Mrs S and Mr S1. For ease I'll refer mainly to Mr and Mrs S as these were the directors mainly targeted throughout the account takeover, although Mr S1 was also involved.

S had opened an account with Revolut in May 2023 to enable them to use both sterling and euro currencies.

In February 2024 Mr S1 got a call supposedly from Revolut warning S of a potential security breach. He passed the call to Mrs S as he didn't have access to the Revolut account. Mrs S shared an email requesting login confirmation as requested by the Revolut caller. Within 15 minutes or so, Mrs S received a further call from Revolut. This caller was insistent and slightly frenzied trying to convince Mrs S of the urgency to avoid S being a victim of fraud. Mrs S was asked to confirm S's different logins to Revolut and the devices used. During the call which lasted over 30 minutes Mrs S asked Revolut how she could check this was genuine and she was directed to an app website address. She agreed to allow remote desktop software to be downloaded and was convinced by its Revolut branding and appearance. At the time of this software being downloaded, Mrs S was encouraged to check S's other bank account (with a bank I'll call L) and she was concerned when the screen she was viewing went blank during this process.

Mrs S was also told by Revolut that they were talking to her husband, Mr S who was travelling, at the same time. Mr S had received a call from supposedly Revolut's fraud team and was asked to send a selfie using WhatsApp. He was also encouraged to share codes he'd received as part of Revolut's genuine two-factor authentication checks but understood he needed to authorise Revolut to close down S's cards. Different authentication codes were also shared to enable Revolut to levy basic fees on this process. These were linked to three different names and Mr S authorised three payments of £1 (€1.17).

It was after Mrs S lost control of her screen and put her phone down, she alerted Mr S1. He checked that £19,000 had been sent from S's account with L to Revolut. He immediately sought assistance from an IT solutions provider who advised them to disconnect their computer from the internet.

It became clear that more than £86,000 was spent from S's Revolut account in under an hour from 12:42 to 13:27. A card payment for more than £3,000 was made in the early hours of the following morning. S contacted L and Revolut to report what had happened immediately.

It turned out that L had stopped other attempted payments being made from S's account with them. Revolut had not intervened in any of the transactions made.

S requested help from Revolut but Revolut wouldn't refund the money S had lost. They argued S had given apparent authority to the fraudsters to make the individual payments.

S brought their complaint to the ombudsman service.

Our investigator wasn't convinced that apparent authority – in line with existing regulations – had been present and asked Revolut to refund S in full, along with 8% simple interest.

Revolut disagreed with this outcome and have asked an ombudsman to consider this complaint.

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 reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I have not gone into all of the detail that happened and the distress this must have caused to the directors of S. I don't believe there's much dispute between the evidence Revolut and S have both shared with our service, so I take this as read.

The regulations which are relevant to S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN, and mobile banking access – to be used by someone else.

I note Revolut has provided no evidence to suggest S acted in a grossly negligent manner. Although I can see that they argue their terms and conditions have precedence over the provisions of the PSRs. Whilst I note these *state "we won't provide a refund if the theft happened because you didn't keep your security details safe or evidence suggests that you acted fraudulently"*, I confirm I've not seen evidence which suggests S could be accused of acting in a grossly negligent manner as required by the regulations.

The evidence does however confirm Mr S shared three different codes to enable three separate £1 payments to be made. He accepts this as the messages stated that these were for three different Revolut-related entities (Revolut app, Revolut fees, Revolut2). By doing so I believe S authorised those three payments.

Revolut has argued that apparent authority existed for the other many transactions. However, I don't agree. Apparent authority is about the provision of a payment instrument to enable transactions to be made. Whilst codes may have been shared, Mr S did not provide any payment instrument to the fraudsters.

Under the PSRs there are two key aspects which make up authorisation – authentication

and consent. The fraudsters had the means to authenticate the transactions having set up three new payees, and after having set up remote software to enable them to access S's account with Revolut they were able to make the payments themselves. There's nothing to indicate that S was in a position to consent to payments that they didn't know about. Nothing in the testimony S's directors provided suggests there's any consent for any other transaction, nor do I believe is there any implication that S was providing apparent authority to the fraudsters.

So to confirm I've not seen evidence which shows that the many other individual payments made from 12:43 onwards were known to S. I'm satisfied there was no consent for those transactions as would be required if I was to say these were authorised.

I also note other aspects which I believe mean that Revolut should refund S in full. These include:

- None of the messages Revolut shared with Mr S around authentication codes warned him not to share these with another party or told him that Revolut wouldn't ask for these codes. Mr S was able to note the authentication codes related to three £1 payments for three separately named supposedly Revolut reasons.
- About 100 payments were made to those three newly-set up payees from S's account. There is nothing to indicate that Revolut felt any of this was at all suspicious despite this clearly resembling fraud.
- Revolut were told of the fraud on 6 February 2024 within a short time of this happening. They took no action until 19 February to recoup funds which limited the chance of that being successful at all.

Putting things right

As I'm satisfied there's not enough evidence to show S authorised these disputed payments, I will be asking Revolut to refund S. The full disputed amount was £86,180.90 but Revolut can deduct £3 from this amount for the three authorised transactions.

They will also need to add 8% simple interest.

My final decision

For the reasons given, my final decision is to instruct Revolut Ltd to:

- Refund S £86,177.90 for the disputed payments; and
- Add 8% simple interest a year from 6 February 2024 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 22 August 2025.

Sandra Quinn
Ombudsman