

The complaint

M complains Revolut Ltd (“Revolut”) refuses to refund it for transactions on it’s account it says it didn’t authorise.

M is a company run by a group of directors. The complaint has been brought by one of the directors, and to keep things simple I’ll refer to him as P throughout my decision.

What happened

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

In summary, P says he received a call on 1 March 2024 from someone he believed to be from Revolut about a suspicious transaction on M’s account. He checked the account and saw the transactions the caller was referring to and confirmed these weren’t genuine. P says the caller told him they would block the transactions and the card; and order a new one for him. P says he cannot remember what else was said on the call, but he says he didn’t give the caller any account information or passcode. The following day P noticed a pending unauthorised transaction for £25,309.90 on the account and contacted Revolut using the chat function. P says this transaction was fraudulent and should be refunded by Revolut.

Revolut says the transaction in dispute was completed using P’s Revolut debit card ending 7711 via ApplePay which was set up on 1 March 2023. And it says in order to set up ApplePay on a new device would’ve required a one-time passcode which it would have sent to P’s registered phone number. So, it thinks P must have shared this with someone to set up the new ApplePay token, and this was in breach of its terms and conditions. It also says the evidence shows that the card ending 7711 was blocked by its fraud detection following a suspicious transaction just before the disputed one, and it was unblocked on M’s Revolut account, allowing the disputed transaction to go through. So, it has held M responsible for the transactions in dispute.

Our investigator considered this complaint and decided to uphold it in M’s favour. Ultimately, he was not persuaded by the evidence that the transaction was authorised by M. Revolut didn’t agree, so the complaint has been passed to me for a final 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.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. M has said they didn’t give any permission for the transactions in dispute to be made but Revolut believes it did. My role then is to give a view on whether the evidence persuades me M more likely than not authorised the transactions.

P says he received a call from someone he thought was from Revolut on 1 March 2024 regarding suspicious activity on M’s account. Revolut has confirmed that it didn’t make this call, so I it’s likely this was a scam caller. P says during the call he was informed of two

suspicious transactions on the account, and when he checked he saw two attempted transactions to ebay – which he confirmed were not genuine. P says during the call he was asked to confirm some information about the company and the company address, but he says he was not asked for any account security information or a passcode. In fact, P says he never received a passcode from Revolut around this time. The caller informed him that they would block the card and order a new one. The following day P noticed an unrecognised transaction on the account.

Revolut has provided evidence to show the transaction was made using the debit card ending 7711 via ApplePay. The evidence supplied also shows that this ApplePay token was created on 1 March 2024, prior to the two attempted transactions to ebay. Revolut says as the ApplePay token was successfully created on 1 March 2024, P must have received the passcode and used it or provided it to someone to complete the set-up. And for this P is in breach of the terms and conditions of the account. But Revolut hasn't been able to provide evidence to confirm the passcode was sent, and what number it was sent to. So, although we know this is the usual process, it's difficult for me to confirm this is what happened in this case without the evidence to rely on.

Revolut has also denied this complaint on the basis that it says P had unblocked the debit card on two occasions when its fraud team had blocked the transactions. It says he either did this by confirming the attempted transactions as genuine via the app or SMS, or by manually unblocking the card in the app. I have seen from the evidence that Revolut blocked the card after the first attempted eBay transaction on 1 March 2024 and the attempted transaction immediately prior to the disputed transaction on 2 March 2024. But after each of these the card is showing as unblocked in the card log. We asked Revolut to provide evidence of which device was used to unblock the card each time, or the IP address this was done from. But again, Revolut couldn't provide evidence of this.

It seems likely from the evidence that a scammer has been able to obtain details about P's debit card and potentially also gained access to his app. Revolut has evidenced that no new devices have been active on his account around this time, so it's possible this has been done via a remote access app. Either way, I can't say for sure how this activity was completed by a third party, but I am not persuaded that the transaction was completed by P either, or by someone else with his consent. I say this because the activity is in a foreign country, while P has evidenced being in the UK, and it is out of character of his normal activity.

I think it's likely P unintentionally gave away some information during the scam call on 1 March 2024, but as I've not seen enough evidence to persuade me an OTP was sent to him, I can't conclude that he must have given this to the caller. And based on what I have been seen and told, I don't think P's actions during amount to gross negligence, and I'll explain why. As per the FCA guidelines in relation to the Payment Services Regulation 2017 – the interpretation is that P needs to have shown a very significant degree of carelessness for it to amount to gross negligence. As I've said I think it is likely that a scammer has gained enough information about P and his Revolut card to add this to ApplePay to make the disputed transaction. And even though I think P is likely to have provided some information to the caller on 1 March 2024, I am satisfied he did so under the honest belief he was talking to Revolut. And from the evidence I not persuaded he provided any secure security information, such as his Revolut account password or any other passcode, I don't think this amounts to a significant degree of carelessness.

So overall, I am not persuaded the transaction in dispute was authorised, and I am not persuaded that P was grossly negligent to allow this to happen. So Revolut should refund this money to M.

Putting things right

Revolut Ltd should put M back in the position it would've been had the disputed transaction not taken place. This means it should refund the transaction and any associated fees. It should also add 8% simple interest from the date the payment was made till the date it is paid back.

My final decision

I am upholding this complaint. Revolut Ltd should refund the money as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 16 January 2025.

Sienna Mahboobani
Ombudsman