

The complaint

Mr B complains that Revolut Ltd (“Revolut”) failed to refund transactions he didn’t recognise.

What happened

Mr B noticed that a number of payments had left his account that he didn’t recognise. Two different merchants had payments sent to them, each of them for less than £50. In total, Mr B said that over £400 had been taken from his account without permission. One set of payments took place in late April 2024 and the others over a two-day period about two weeks later.

Mr B raised the transactions with Revolut and told them he hadn’t authorised them and asked Revolut to refund the transactions.

Over the next few days, Mr B and Revolut discussed the payments. Mr B confirmed he hadn’t been asked to provide any account details to anyone else, nor did he allow others to use his account and his phone had remained with him. Revolut advised the payments had been made using Apple Pay.

Mr B was unhappy with Revolut’s handling of the refund and made a complaint. After looking into the transactions, Revolut declined to refund them. They believed Mr B was responsible after authorising the use of Apple Pay on a device in early April.

Mr B then brought his complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into the complaint and both parties were asked to provide information in support of their respective arguments.

Mr B confirmed what he’d already told Revolut and believed that he’d been defrauded. Mr B didn’t think that Revolut had acted fairly towards him and said they’d also been rude to him. Mr B explained that he was asleep when the disputed transactions were carried out and he hadn’t received any notification of the payments he’d disputed. He said that for other payments, his Revolut app notified him about the transactions.

Mr B said he didn’t remember receiving any One-time Passcodes (OTPs) from Revolut in respect of the Apple Pay feature which had been set up on another device. Mr B said he deleted messages and could no longer check.

Mr B explained that he’d noticed the earlier payments when one of them had been declined, but at the time, he was travelling and just blocked that merchant because he needed the card to use whilst travelling. He didn’t notify Revolut of the issue until he saw the other transactions about two weeks later.

Revolut provided details of the payments and Mr B’s account, showing how an OTP had been sent to Mr B’s registered phone which had then been used to set up Apple Pay on another device. This took place a few weeks before the first disputed transaction. Revolut explained that without this code, it wasn’t possible to activate the Apple Pay feature and because Mr B was the only one who had access to their app and his phone, it couldn’t have

been anyone else. They said the warning on the OTP was clear not to pass it to anyone else.

Revolut said they'd considered if they could use a chargeback application to challenge the payments, but given the circumstances, they didn't think it was appropriate.

After reviewing the evidence, the investigator concluded that Revolut had acted fairly. It was commented that Mr B was the only one who had access to his device, so it couldn't have been anyone else who obtained the OTP to set up Apple Pay. Additionally, the investigator didn't think a chargeback would have succeeded, but did think that Revolut should've noticed that something suspicious was happening based on the series of payments leaving Mr B's account. But, it was felt that any intervention wouldn't likely have stopped those payments.

Overall, the investigator didn't think that Revolut had acted unreasonably in their dealings with Mr B and didn't think they should have to make any payment for compensation to him.

Mr B disagreed and continued to argue that he wasn't responsible. He also referred to another fraudulent payment taken from his account which Revolut had dealt with as a refund.

Mr B continued to deny receiving any notice of those payments he'd disputed. Revolut were asked to provide evidence about this and sent information showing they'd notified Mr B about each of those payments at the time.

As no agreement could be reached, the complaint has now been passed to me for a 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.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Revolut can hold Mr B liable for the disputed payments if the evidence suggests that it's more likely than not that he made them or authorised them, but Revolut cannot say that the use of Apple Pay conclusively proves that the payments were authorised.

Unless Revolut can show that consent has been given, it has no authority to make the payment or to debit Mr B's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transactions. It shows that the transactions were authenticated using the payment tools issued to Mr B.

It's not my role to say exactly what happened, but to decide whether Revolut can reasonably hold Mr B liable for these transactions or not. In doing so, I'll be considering what is most likely on a balance of probabilities.

Mr B has strenuously denied being responsible for these payments and I acknowledge his strength of feeling here. As I'm sure he'll appreciate, I have to make my decision based on an impartial review of the evidence.

Revolut's evidence shows an OTP was sent to Mr B's phone on 4 April 2024. In order to add the Apple Pay function to a device, that OTP must be correctly entered into the payment

system. Once done, it enables a device to use Apple Pay to make payments from whichever account initiated the request, which here is Mr B's Revolut account.

Given the security measures usually employed by Mr B, it's doubtful that anyone else could gain access to his device to initiate the request. The payment card details for the account, including its security number were also needed as part of the process, so it seems unlikely that an unauthorised third party could complete these steps, including gaining access to the OTP without Mr B's knowledge.

I've also considered the way the payments were made from the account. These aren't typical of an account that has been compromised by a thief. I say that because permission for the new Apple Pay function was made and not used for some two weeks before the first few payments were made. At the time the account held funds which would usually be utilised as soon as possible if an unknown third party had somehow gained access to the account. A thief wouldn't generally know when it would be discovered so generally we see the accounts emptied as soon as possible. Of course, it's possible a compromised account could be used in other ways, but I don't think that's the case here.

Mr B also stated he hadn't received any notification from Revolut about these payments, but the evidence presented by them shows that notifications were made at the time to Mr B's account. The evidence here is at odds with Mr B's recollection. Of course, I can't know what actually happened at the time as I wasn't present, but the evidence here makes it difficult to conclude that person's unknown to Mr B were able to compromise his Revolut details and his mobile phone.

Taken together with the delay and lengthy gaps in the use of the Apple Pay feature, I think it's implausible to conclude they weren't authorised without stronger evidence to the contrary. That means I think it's more likely than not that Mr B carried out these transactions himself – or that someone else with consent did so. I think it was both fair and reasonable that Revolut held him liable for them.

I've also thought about Mr B's actions when he says he first became aware of the use of his account. Those first few payments were made and then Mr B blocked the merchant, rather than contacting Revolut to investigate how these payments had been made. I appreciate Mr B said he still needed the card at that point, but he didn't notify Revolut of the issue until a few weeks later. Whilst I'm not blaming Mr B here, the decision to leave the notification of a problem with his account until much later, prevented Revolut from taking any appropriate action.

As I've made a finding about the authorisation of the disputed transactions, I've not further considered the issue of whether Revolut should have noticed the way those payments were made from the account. I also don't think that a chargeback against these transactions would have been appropriate. The use of Apple Pay which had been shown to have been authorised after the OTP was sent to Mr B's phone would likely have been enough to prevent a successful chargeback request.

Mr B also complained about his treatment by Revolut. I've read and considered the exchanges he had with them and can find nothing that supports his assertion. I accept that Mr B's situation was made more difficult as he was often travelling, but I didn't think that Revolut acted unfairly towards him.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 April 2025.

David Perry
Ombudsman