

## **The complaint**

Z, a limited company, has complained Revolut Ltd won't refund them for two transactions made using one of their company cards.

## **What happened**

Mr B is one of the directors of Z and is managing their complaint to our service. I will refer to both him and Z throughout this complaint.

In March 2024 Mr B was alerted to a transaction he didn't recognise and blocked this using the Revolut app. He then noticed the block had been removed and two transactions amounting to £6,395 had been made. He immediately contacted Revolut through their chat service to confirm these had not been authorised.

Revolut told Mr B that Z's card details had been compromised when he'd provided them to a company for invoice payment. They also confirmed there was no chargeback arrangements for these transactions and would not be refunding Z.

Mr B brought Z's complaint to the ombudsman service.

Our investigator requested the business file from Revolut but after four months this was still outstanding. Our investigator confirmed that through lack of evidence he had no option but to ask Revolut to refund Z in full and include 8% simple interest.

Revolut provided the business file, but our investigator confirmed that evidence of any SMS sent prior to transaction authorisations was still missing.

Z's complaint has been referred to an ombudsman for 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.

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.

The regulations which are relevant to Z'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.

Revolut has not provided any evidence to confirm that Z – or any of its authorised payment users – has acted in a grossly negligent manner or with intent.

I don't believe there's sufficient evidence to show that Z authorised the two transactions in dispute. I say this because:

- There were numerous transactions declined from 14:33 onwards on 5 March 2024. At least one of these was declined as suspicious and another for insufficient funds. I can also see evidence that Mr B blocked use of the card at 14:33. Revolut has stated that the card was unblocked at 14:34 by another user. It's certainly the case that this other user made a local transaction which is not in dispute at 14:37 so this may explain why the card was unblocked.
- Another transaction was declined at 15:41. The two transactions which were processed successfully were made at 15:45 and 15:52. It's clear to me that there's a pattern of suspicious transaction behaviour. I don't believe there's any dispute that the transactions that were made were fraudulent.
- Revolut has stated that the two successful transactions were verified by SMS sent to another user's mobile as part of the setup of the card details onto Apple Pay. Despite requesting this evidence on many occasions, this hasn't been forthcoming. In February Revolut stated *"I have raised a request to the relevant team for evidence of who the SMS was sent to"*. Nothing further has been received. As this remains absent, I'm unable to see how the payments were authenticated.

I can see that Revolut provided two different explanations to Mr B about how Z's card details were compromised. Knowing how these frauds can take place, I believe this was potentially misleading as it led him to believe they could have been at fault for what took place. I'm not sure how Revolut would expect Z to be paying an invoice by card without sharing the card details.

### **Putting things right**

Based on my statements above, I will be asking Revolut to refund Z in full, along with 8% simple interest from 5 March 2024.

### **My final decision**

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

- Refund £6,395 to Z for the two disputed transactions; and
- Add 8% simple interest from 5 March 2024 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Z to accept or reject my decision before 10 October 2025.

Sandra Quinn  
**Ombudsman**