

## **The complaint**

Mr K is unhappy that Revolut Ltd won't reimburse payments that he says he didn't authorise.

## **What happened**

Mr K was in a relationship with someone ("D"). I understand that during that relationship, as a result of duress and coercive control, D had access to Mr K's Revolut personalised security credentials and device which allowed D to make payments using Mr K's Revolut account.

Mr K argues that Revolut should reimburse payments that were made without his knowledge or consent, totalling around £11,000.

The largest of those payments was made directly to D on 15 July 2023 for the amount of £9,850. It is the first payment in dispute. Mr K says that he found out about this payment after it had been made. D said that he would use the money to purchase a watch which he would then claim had been lost or stolen (presumably an attempt at insurance fraud). Mr K says that this was not successful, and he did not receive any money back.

Disputed payments to D, a third party and a gambling website took place until June 2024, though Mr K's relationship with D ended in October 2023. Mr K also highlighted a number of other payments that he says he didn't make or doesn't recall making, but those transactions don't form part of this complaint.

Revolut says it didn't have to refund the transactions under the terms of Mr K's account.

Our investigator agreed that Revolut wasn't responsible for reimbursing Mr K. They argued that Revolut could fairly treat the payments as authorised because it would have appeared as if D was acting on Mr K's behalf.

Mr K disagreed, in summary he argued:

- The investigator had not properly considered his circumstances, and additional evidence could be provided to demonstrate them.
- The payments were carried out without his agreement or knowledge.
- The investigator's interpretation of the Payment Services Regulations 2017 ("PSR 2017") was not correct – to be authorised a payment needed to be explicitly consented to. If the investigator's conclusion is that he isn't due a refund, they must believe that he has acted fraudulently.
- The large payment to D was completely out of character for his account and Revolut should have picked up on this.
- The police will be able to verify the coercive control involved.
- He didn't think the outcome was fair or reasonable.

As no agreement could be reached, the case was 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.

I'm sorry to hear about what Mr K has been through – it sounds like an awful experience. But, my role is to decide whether Revolut are responsible for the money he lost, not whether D has committed a crime. I don't dispute Mr K's testimony and it isn't necessary for him to provide further evidence to demonstrate what happened. I also assure Mr K that I've taken into account his circumstances. But those circumstances don't automatically make Revolut responsible for his loss.

In order to decide whether Revolut should reimburse Mr K I need to consider, among other things, the relevant law and regulations, including the PSR 2017.

In summary, they explain that a customer won't be responsible for payments they haven't authorised themselves, unless they have failed with gross negligence or intent to keep their personalised security credentials (such as a PIN) secure or adhere to the terms of the account. And for a payment to be considered authorised, the account holder must have given their consent for it to take place.

Mr K says he didn't give consent to the payments. But, unfortunately for Mr K, it's not enough for him to demonstrate that he didn't make the payments and didn't act fraudulently (neither of which I dispute).

The PSR 2017 puts obligations on Mr K. Regulation 77 explains that:

*(3) The payer is liable for all losses incurred in respect of an unauthorised payment transaction where the payer—*

*...*

*(b) has with intent or gross negligence failed to comply with regulation 72 (obligations of the payment service user in relation to payment instruments and personalised security credentials).*

Regulation 72 sets out that:

*1) A payment service user to whom a payment instrument has been issued must—*

*(a) use the payment instrument in accordance with the terms and conditions governing its issue and use; and*

*(b) notify the payment service provider in the agreed manner and without undue delay on becoming aware of the loss, theft, misappropriation or unauthorised use of the payment instrument.*

*(2) Paragraph (1)(a) applies only in relation to terms and conditions that are objective, non-discriminatory and proportionate.*

*(3) The payment service user must take all reasonable steps to keep safe personalised security credentials relating to a payment instrument or an account information service.*

The relevant term of Mr K's Revolut account (term 22) says:

*We won't refund any money if you've acted fraudulently, or you intentionally or carelessly failed to keep your security details or Revolut Card safe (unless you told us about this before the payment was taken from your account). For example, we won't refund you if you gave someone your Revolut Card PIN and they made a payment using your card without you knowing about it.*

In addition, I must take into account Mr K's broader position in law. The common law concept of 'apparent authority' means that Revolut can fairly treat payments as authorised

by Mr K if they were carried out by someone that Mr K had shared his personalised security credentials with and appeared to be acting with his authority.

Mr K hasn't disputed sharing access to his device and personalised security credentials with D. While I can accept that, in the circumstances, it might not be fair to describe Mr K's disclosure of personalised security credentials and access to his device as negligent, the evidence suggests that it was intentional (meaning a deliberate, rather than accidental act) and took place in circumstances where Mr K ought reasonably to have known that his payment instrument might be misused by D. So, Revolut can hold him responsible for the payments under the PSR 2017.

In addition, by sharing access to his device and/or the necessary personalised security credentials to enable D to make payments, I'm satisfied he also gave the impression that D was acting with his authority, such that Revolut can fairly treat the payments as authorised in law. I'm afraid that the circumstances under which Mr K shared access to his device and/or personalised security credentials do not allow me to reach a different finding on either of these points.

I've also thought about whether Revolut should have recognised Mr K was at risk of financial harm from fraud. But, regardless of how unusual the payments were (and there's only really one that might reasonably have caught Revolut's attention due to its high value) that payment took place in a context of Mr K being the victim of coercion and duress. His own testimony is that he continued to be in a relationship with D for several months after he discovered that payment had been made. Considering those facts, it would be very difficult to conclude that any intervention by Revolut would have prevented Mr K's loss.

I have a great deal of sympathy for Mr K, but I'm afraid that I can't uphold this complaint. I cannot direct Revolut to reimburse Mr K just because he's been the victim of a crime or just because he might not have carried out the payments himself. Instead, as I've explained, I must apply the law and relevant guidance, as well as what's fair and reasonable, to decide whether Revolut is responsible for his loss. Having done so, I've found that it isn't.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 25 April 2025.

Rich Drury  
**Ombudsman**