

## **The complaint**

Miss O complains that Revolut Ltd won't refund a payment she didn't make or otherwise authorise.

## **What happened**

The full details of this complaint are well known to both parties, so I'll only provide an overview of what happened and focus on giving my reasons for my decision.

Miss O says she received a link via an e-commerce platform, which is used for buying and selling items. She clicked on it and was prompted to verify her card details which she thought was required for using the platform. Miss O says that after providing her Revolut card details, she was asked to verify her card by approving a notification in her Revolut app. However, in practice, the step Miss O took approved an online card payment for £500.

Revolut declined to refund the payment on the basis that it was 3DS verified in its app, and the transaction didn't have chargeback rights.

Our investigator didn't uphold Miss O's complaint. They said that although it was the scammer who gave the payment instruction to the merchant the payment went to, Miss O confirmed it in her app. So, Revolut could consider the payment as authorised. The investigator also concluded that there weren't sufficient grounds for Revolut to think that Miss O was at risk of financial harm from fraud. So, it wasn't at fault for processing the payment. In relation to recovery of funds once the payment had been processed, the investigator considered it was unlikely that a chargeback would have been successful.

Miss O disagreed with the investigator's findings and asked for an ombudsman's decision on the matter.

## **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 Miss O's personal circumstances and thank her for her patience while the complaint has been awaiting an ombudsman's review. I'd like to reassure her and Revolut that although I've only provided an overview of what happened, I have read and considered everything that has been submitted to this office in its entirety.

It's common ground that Miss O fell victim to a sophisticated social engineering scam. As she says she didn't authorise the disputed payment, the relevant law here is the Payment Services Regulations 2017 (PSRs). The starting point is that Miss O would generally be liable for authorised payments and Revolut would generally be liable for unauthorised payments.

From the technical evidence that Revolut has provided, the payment was correctly authenticated using Miss O's card information, and stronger authentication (3DS) was completed in her Revolut app.

But authentication alone isn't enough to consider a payment authorised. To consider a payment authorised, the PSRs explain that Miss O must have given her consent to the execution of the payment transaction – and that consent must be in the form, and in accordance with the procedure, agreed between her and Revolut.

In other words, consent happens when Miss O completes the steps agreed for making a payment. It's also possible for someone else to act on Miss O's behalf and complete these agreed steps. And for the purposes of whether a payment is authorised, it doesn't matter if Miss O was deceived about the purpose or amount of the payment.

To establish the agreed form and procedure, I've reviewed the terms and conditions that Revolut has referred us to. They simply state that Miss O can consent to payments by using her Revolut card. Here, Miss O didn't use her card – the scammer did. I also accept that Miss O didn't intend to give consent to the scammer to make the disputed payment on her behalf.

That said, I've considered whether there's any other reason why it would still be fair and reasonable for Revolut to treat the payment as authorised.

I've taken into account that Miss O did complete the 3DS authentication by approving the payment transaction in her Revolut app. She's told us she understood that by completing that step she was confirming she had funds in her account should a refund be sought by the buyers. Miss O explains she believed D was simply verifying her card details. However, by approving the transaction Miss O made a representation to Revolut that she consented to the payment. And having reviewed the stronger authentication screen that Miss O would have been presented with, I think it's clear that the purpose of completing it is to approve a payment leaving her account.

This is because it specifies the name of the merchant, the payment amount, and the options are to "confirm" or "reject". Here, Miss O selected "confirm". Given the clarity of the content, I think it was both fair and reasonable for Revolut to rely on this representation and treat the payment transaction as authorised.

What this means is that, under the relevant regulations, Miss O would be considered liable for the disputed transaction in the first instance.

Revolut has a duty to act on authorised payment instructions without undue delay. However, there are circumstances when it might be appropriate for Revolut to take additional steps before processing a payment. Such as when there are grounds to suspect that the payment presents a fraud risk. That might occur when a payment is significantly unusual or uncharacteristic compared to the normal use of the account.

I've reviewed Miss O's account statement. I've also considered when the disputed payment was made, its value and who it was made to. Having done so, I don't think Revolut should reasonably have suspected that the transaction might be part of a scam such that I consider it should have made enquiries before processing it. I acknowledge that this was a newly opened account. I also appreciate that £500 is not an insignificant amount to Miss O. But Revolut is an Electronic Money Institution which provides e-money accounts as opposed to current accounts offered by traditional banks. It's not uncommon to see deposits being made into such accounts specifically for the purposes of immediate onward transactions. In all the

circumstances of this complaint, I don't consider Revolut ought to have been concerned when the disputed transaction was attempted.

Once the payment was processed, Revolut wouldn't have been able to stop the funds from leaving Miss O's account – even if it appeared as 'pending' waiting to be collected by the merchant. As the payment was made using a debit card, I've considered whether Revolut should have raised a chargeback, and whether it would likely have been successful, once it was notified of the scam. Revolut has said that Miss O didn't have chargeback rights because the payment was approved via 3DS. It is correct that a payment approved this way doesn't have grounds for a chargeback on the basis that it was unauthorised.

I've considered whether a chargeback could have been raised on a different basis, for example, goods or services paid for but not received. Here, the payment was made to a genuine money transfer service, and it's a common feature of the scam Miss O has described that services are rendered, i.e., funds transferred as requested (albeit by the third party rather than the customer). So, on balance, I don't think it's likely that Miss O could have recovered her funds in this way.

I recognise that this will be disappointing news for Miss O, not least because of how long this complaint has been ongoing. But overall, I'm satisfied that it's fair for Revolut to have deemed the payment as authorised and I'm not persuaded it is at fault for failing to prevent Miss O's losses. So, while I appreciate that she's a victim here, I won't be upholding her complaint against Revolut.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 27 June 2025.

Gagandeep Singh  
**Ombudsman**