

The complaint

Mr C has complained that Revolut Ltd won't refund transactions he says he didn't make or otherwise authorise.

What happened

In late 2024, Mr C was on holiday abroad. He's explained that his wallet was stolen using distraction tactics. By the time he realised and blocked his card, around £1,700 had been withdrawn from a cash machine using his card and PIN.

Revolut held Mr C liable for the payments in dispute, on the basis that they couldn't see how someone would've learned his PIN without his consent.

Our Investigator looked into things independently and partially upheld the complaint. They found it was most likely that the payments were unauthorised, but that Mr C had been negligent about recording his PIN. They argued Revolut should've intervened once the payments got to a certain point, and so proposed Revolut took partial liability.

Mr C didn't agree, so the complaint's been passed to me to decide.

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 starting point is that Revolut are responsible for refunding unauthorised payments. They can hold Mr C liable for these disputed withdrawals if the evidence suggests that he authorised them, or that he failed to keep his account safe either intentionally or through acting with gross negligence.

I think it's most likely that Mr C was the victim of a crime here – for which he has my sympathy – and that he did not consent to the withdrawals in question. I say this because according to Mr C's location history, at the time of the disputed payments he was in a different town to the one where the withdrawals were being made. The withdrawals followed a pattern consistent with fraud. Mr C reported the matter to the police at the time, and his testimony has been consistent and plausible. I've found no good reason to disbelieve him about his wallet being stolen.

With that said, Revolut's technical evidence shows that the withdrawals in dispute used Mr C's genuine card, and the correct PIN. This was not a cloned card, and the PIN was not bypassed. So I can see that these transactions were properly authenticated. We know how the fraudsters may have obtained Mr C's card. But the question remains how they learned his PIN.

The PIN was not bypassed, and it wasn't possible to learn the PIN from the card itself. Mr C hadn't told anyone else his PIN. It wasn't a memorable number that was easy to guess, such as his birthday. He didn't use the same PIN for other things. The last time he'd used the PIN was for a payment two days prior, so there was no likely opportunity for someone to watch him enter it and then steal the card. It's not plausible that someone would've followed him for two days after that PIN payment, without just taking the card earlier. And it's exceptionally unlikely that someone would happen to guess the PIN at random on the first try.

Realistically, that leaves only two likely and plausible possibilities:

- 1.) That Mr C authorised the payments, if not himself then by giving someone else permission to make them; or
- 2.) That, despite his best recollections, Mr C did keep a record of the PIN in the wallet.

As covered before, I don't think the first possibility is likely. So based on the evidence and the balance of probabilities, the most likely explanation for how the PIN was known without Mr C's consent is that he'd left a record of it in the stolen wallet. And it may well be that Mr C left a record in there by mistake and doesn't recall doing so. But that would mean Mr C failed to keep his account safe in line with the terms and conditions. It may be that he did this knowingly, or by not taking enough care. But it is widely understood that keeping a note of the PIN with the card is very risky, since anyone who has the card is then able to use it immediately – which seems to be what happened here. And there's no other plausible conclusion I can reasonably reach given the evidence I have.

That means Revolut don't have to refund the withdrawals in dispute. But the matter does not end there.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, the duty to avoid causing foreseeable harm, and what I consider to have been good industry practice at the time, I consider that Revolut should have fairly and reasonably:

- Monitored accounts and payments to counter risks such as fraud;
- Had systems in place to look out for particularly unusual transactions or other signs its customers were at risk of fraud;
- In some circumstances, taken further steps or made further checks before a payment went out, or even blocked it, to help protect customers – irrespective of the type of payment involved.

I agree with our Investigator that the disputed withdrawals should've stood out as being concerning at the point of the 4th attempted withdrawal. Someone was attempting very rapid withdrawals, trying different amounts in a pattern consistent with fraud which was draining Mr C's account. The amounts were large for ATM withdrawals – notably larger than Mr C's usual withdrawals, and well over typical daily limits by the 4th attempt. And they were made in the middle of the night in a foreign country. Revolut suggested the pattern wasn't suspect, as a customer might split withdrawals up to avoid a specific ATM's fees. But that argument doesn't hold water here, since the withdrawals were made at the same ATM.

So I think Revolut should've fairly and reasonably intervened at the point of the fourth payment. Had they done so, I find it's most likely they would've stopped the loss. After all, a block would've stopped the fraudsters in their tracks; and if they'd spoken to Mr C – who was still contactable – he would've confirmed his wallet had just been stolen. So I think Revolut bears some liability for the loss from the fourth payment onwards.

I've also thought carefully about Mr C's role in what happened. As set out above, I've found it's most likely that Mr C was negligent in recording the PIN. And I do need to take that into account. So I don't think I can fairly hold Revolut solely liable for Mr C's loss from the fourth payment onwards. I think Mr C should also share liability for that loss.

Finally, while I think the fraudsters caused the bulk of Mr C's stress and upset, I do see that Revolut would've added to this in the way they handled the matter and treated his case unfairly. Taking into account the impact this had, along with our guidelines for compensation, I agree with our Investigator that £100 additional compensation would be fair to put that right.

Putting things right

Revolut Ltd should:

- Refund 50% of the loss from the fourth attempted withdrawal onwards, including the disputed withdrawals themselves and their associated fees.
- Add simple interest to that refund, at the rate of 8% simple per year, payable from the date each partially-refunded payment debited until the date of the refund.

If Revolut considers that they're required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, they should tell Mr C how much tax they've taken off. They should also give Mr C a tax deduction certificate if he asks for one. Mr C may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

- Pay Mr C £100 compensation for the trouble and upset they caused.

My final decision

For the reasons I've explained, I uphold Mr C's complaint in part, and direct Revolut Ltd to put things right by doing what I've said above.

If Mr C accepts the final decision, Revolut Ltd must carry out the redress within 28 days of the date our service notifies them of the acceptance.

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

Adam Charles
Ombudsman