

The complaint

Mr S complains that Revolut Ltd hasn't refunded payments on his account he says he didn't authorise.

What happened

In mid-March 2024, Mr S received notifications in his Revolut app about attempted payments using his card. Mr S went into the app and declined these, as and when they appeared, as it wasn't him making the payments. A few days later, this happened again and Revolut then blocked Mr S's card. Mr S contacted Revolut via the in-app chat and then unblocked the card himself.

Three days later, over £3,000 of payments were made using Mr S's card. He reported these to Revolut as unauthorised. It didn't agree to refund them and didn't uphold Mr S's subsequent complaint.

Mr S came to our Service and our Investigator did uphold his complaint. Revolut disagreed with their assessment, so asked for an Ombudsman to reconsider the case.

I issued a provisional decision in April 2025. My findings were as follows:

Authorisation

The disputed transactions complained about took place in March 2024, so of particular relevance to my decision are the Payment Services Regulations 2017 (PSRs) – which apply to transactions like the ones made from Mr S's account.

The PSRs say that a payment transaction is authorised by the payer where they have given their consent to the execution to the payment transaction. Such consent must be given in the form and in accordance with the procedure agreed between the payer and the payment service provider.

Unless the payment service provider can show consent has been given, it has no authority to make a payment or debit the customer's account. Where a payment service user denies having authorised a payment transaction, it is for the payment service provider to prove that the transactions in question were authorised by the customer.

Having considered the facts before me, I'm not persuaded there's enough evidence to demonstrate that it was Mr S who authorised the disputed transactions, and I'm satisfied there is a plausible explanation for how they came to be made by an unauthorised third party.

We can see from Mr S's account history that transactions to the gambling website were first attempted a week before the disputed payments in this case. At this time, they required stronger-authentication and Mr S declined the approval requests in his app every time. We know on 19 March 2024, he contacted Revolut about his card

being blocked and what he wrote indicates he wanted to use his card but didn't want to say he authorised the payment that blocked it. This all strongly suggests it wasn't Mr S making the payments.

We know that, unfortunately, fraudsters have ways to steal people's card information. And I think it's most likely that this is what happened here. I consider a third party acquired Mr S's full card details and began using his card to make the disputed payments. This is also supported by the fact Mr S's statement show he was abroad at the time of the payments.

Many of the payments were made using a UK gambling website at what would've been the middle of the night where Mr S was. And I can also see attempts to set up his card with merchants that don't operate internationally, such as a UK based grocery store. And more importantly, Revolut hasn't shown any of the payments made on 22 March 2024 did involve the use Mr S's actual registered device, so that he was personally party to approving the payments. We also don't hold any evidence he gave anyone else authority to use his card.

As I've outlined above, it is for the payment service provider to provide evidence proving how a transaction was authorised. In this instance, I'm not persuaded Revolut has been able to demonstrate that it was more likely than not to have been Mr S who completed and so authorised the card payments. The evidence we hold alongside Mr S's consistent and plausible explanation persuades me the payments we made without his consent.

The payment services directive itself (which the PSRs 2017 implements) states that "in the absence of...consent, a payment transaction shall be considered to be unauthorised". This means that Revolut is liable to refund the payments, unless it can show that Mr S acted with intent or gross negligence.

Did Mr S act with intent or gross negligence in line with the obligations set out in the PSRs 2017?

Section 72 of the PSRs sets out what Mr S's obligations are as a payment service user and the key section in this case is 72.(1)(b) which sets out he must:

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.

And the agreed manner in Revolut's terms is:

Contact us through the Revolut app, as soon as possible, if your Revolut Card is lost or stolen, or if your Revolut Card or security details could be used without your permission.

As above, Mr S became aware of someone else using his card on 15 March 2024, as this is when he began declining the stronger authentication pop-ups. However, he didn't alert Revolut to this at this time. On 19 March 2024, Revolut's automated systems blocked his card after further attempts were made and Mr S declined payments again. And it was at this time Mr S did speak to Revolut.

First, this was four days after the first payments – so I cannot say Mr S acted without undue delay. But more importantly, as it seems no (or very little) loss occurred in those four days, I've then considered the information Mr S shared and the chat

between him and Revolut.

When Mr S starts his in-app chat, Revolut asks for a description of the issue Mr S is facing and he wrote:

You have frozen my card and if I say I did not authorise the payment it says you will cancel my card but I am abroad on holiday so I need my card

Mr S is put through to the chat and the first live agent says they have crosschecked the account, and everything seems good, so they will pass Mr S to the Cards team. The Cards team then explains the payment was declined due to security reasons and the card was blocked by the automated system. The agent explains to Mr S he can unblock the card himself or says they can do it for him. Mr S doesn't reply to this message. And around half an hour later he unblocks the card himself.

Looking at the chat, I don't consider Mr S gave Revolut enough information about what was happening to meet his obligations here. I accept he does indicate he doesn't want to say he authorised the payment, but he doesn't explain why. And he doesn't respond at all to the Cards team agent. They haven't answered his actual query or dealt with the real problem he is facing, but he doesn't tell them this. He chooses not to reply and instead does unblock his card, despite knowing someone has the full details of it and is attempting payments.

Mr S's obligation was to let Revolut know someone else was attempting unauthorised payments using his card via the app. Mr S did not do this. I understand that he needed to be able to use his card and he considered he could manage the situation himself by declining payments in app. But that is not what he is required to do under the PSRs.

Section 77 of the PSRs deals with unauthorised payments and of particular relevance here is 77.(3) which says:

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

(a) has acted fraudulently; or

(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).

Gambling transactions are considered 'excepted contracts' so the above section does apply to Mr S's disputed payments. So I have considered whether Mr S failed in his obligations with intent or gross negligence. It's not been alleged he has acted fraudulently.

Revolut also hasn't suggested that Mr S failed to comply with his obligations under Regulation 72 of the PSRs with intent, and neither have I seen any evidence that would suggest this. So, I do not intend to explore this point any further.

However, I have considered whether the actions Mr S took fell so far below the standard of a reasonable person that he could be said to have failed with gross negligence to take all reasonable steps to meet his obligations.

Mr S was aware someone else had his full card details and could use them to

attempt payments without his consent. He took four days to contact Revolut after the first unauthorised activity and he then didn't actually set out to Revolut there'd been unauthorised activity. When he connected with a Revolut Card agent, he didn't seek support from Revolut about how to both protect his account and access his funds. Instead, he didn't reply to the agent, and later unblocked his card by falsely confirming an unauthorised payment was him.

I cannot say Mr S's actions therefore met the standard of a reasonable person. And I do think they fell so significantly below this that he was grossly negligent.

This means that although I consider the payments unauthorised, Revolut isn't required to refund them under section 76 of the PSRs.

Revolut's other obligations and responsibilities as an EMI

I have then considered whether Revolut ought to have done anything more when the unauthorised activity was taking place on the account.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in March 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;*
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);*
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi- stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

From the information I hold, Mr S has reported 49 payments to a gambling website as being unauthorised and I can see these all took place over a period of around two hours, with the first successful payment made at 7:17am and the last one at 9:17am UK time. Other payments were attempted later that day, but these were all declined. The approved payments were completed in a mix of pounds and dollars, but Revolut has confirmed the total paid to the gambling merchant was £3,112.94.

Looking at the account activity, I can't see a previous history of gambling on Mr S's statements, except for the repeated declined payments in the days before the approved payments (that were also part of this fraud). Mr S's account activity shows he mainly tops up his account for travel and uses it abroad, spending in the local currency. And while at times he does make a few payments in a row, his general spending is what you would expect for someone who is spending out and about

abroad, with reasonable time gaps between payments, as the person moves between establishments.

Taking into account the large number of declined gambling payments in the previous few days, and the considerable change in account activity, I consider Revolut ought to have blocked Mr S's card again on 22 March 2024, as it did on 19 March 2024. And I think it ought to have done this when the \$63.19 payment was attempted to the gambling website. I'll explain why.

At this point, Mr S's card had been used 14 times in just five minutes and this was the 15th attempted payment. I recognise that the individual value of this payment wasn't high, but Mr S's card had been used for \$12.64; \$12.64; \$25.28; \$37.91; \$50.55 and now \$63.19 in one minute – so the pattern emerging was one of fast and increasing payments. This activity was unusual for his account, as set out above – Mr S didn't normally gamble; he'd recently just declined a series of payments to this merchant; and he didn't normally use his card for repeated payments in very quick succession. This pattern of spending should've indicated the account was at risk of financial harm.

As I'm satisfied it wasn't Mr S making these payments, had Revolut stopped the 15th payment and blocked his card, I'm confident it would've prevented the loss from this point. I'm satisfied Mr S would've gone through the same steps he did then take the next day, reporting the payments to Revolut when he woke up and spotted the spending. So Revolut's failure to spot this risk and act on it has caused Mr S a financial loss.

I can see from Mr S's chat with Revolut that he does mention payments to other merchants as being unauthorised, in addition to the gambling website. But looking at his statements, I don't think the account activity becomes so unusual that Revolut ought to have considered a financial harm risk until the point I have identified above. And I can't see that any payments except ones to the gambling merchant were completed after this point.

While I accept Revolut failed to act on a risk of financial harm, I do have to consider Mr S's responsibility here too. As above, I am satisfied that he didn't act as he should've, and he too should've been aware of a risk to the account. Had he reported the unauthorised use of the card on 15 March 2024, or even on 19 March 2024, he could've prevented his losses here.

I have considered that Mr S needed to use his card abroad and so he unblocked it as he thought he could just decline any unauthorised payment approval requests. But I'm not persuaded this was a reasonable or appropriate way to try and protect his money. And by doing this, Mr S was breaching the terms he'd agreed to when he opened the account. From what Mr S wrote to Revolut at the time and what he's told us, it seems he prioritised his need to use the card abroad over the security of his account, while hoping the steps he was taking would work.

Looking at Mr S's chat with Revolut when he reported the fraud, it does appear one unauthorised payment may have gone through on 19 March 2024, but this isn't currently clear. I can't see that Mr S has reported this payment, but it is to one of the merchants he says the fraudster used. If this is the case, then by the time Revolut blocked Mr S's card on 19 March 2025, he ought to have been aware that how he was protecting his account wasn't effective. But even if this isn't the case, as above, I think Mr S still ought to have realised he was putting his account and funds at risk by unblocking his card. So, I think it would be fair to reduce the redress I am intending for Revolut to pay by 50%, to account for his contributory negligence here.

Our Investigator awarded Mr S £100 compensation for what happened in relation to his card while he was abroad, and also for Revolut not refunding him in line with the PSRs. As I'm not upholding his complaint for the same reasons, I don't consider this compensation award is due.

I accept this was a difficult time for Mr S, but I have to factor in that had he contacted Revolut on 15 March 2024, it could have arranged a new, virtual card for him that day. His account would've been protected, and he could've carried on using his funds. I can see when Mr S contacted Revolut on 22 March 2024, he said he'd been using his phone for payments, so I'm satisfied he understood that he could do this and that didn't need a physical card. So I don't consider additional compensation is due here.

Mr S accepted the provisional decision but also provided additional comments to say he still maintained that he couldn't have done more to safeguard his money. Revolut acknowledged the provisional decision, but didn't confirm if it accepted it or not. So the case has been returned 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.

While Mr S accepted the provisional decision, he also provided additional comments and as Revolut didn't accept, I have considered these as part of my review of his case.

I consider the provisional decision does address the points Mr S has raised in response to it. Mr S didn't clearly set out to Revolut what was going on and he contacted it because he was aware that he'd need to say he completed a payment that he didn't, in order to unblock his card and he knew this wasn't the right thing to do. But then he went ahead with this process, rather than engaging with the Revolut agent on the chat. So I maintain that he didn't do all he could to safeguard his money. And while Mr S says he was only told by Revolut about being able to use a virtual card after the scam, as per my provisional decision, he told Revolut that, prior to the scam, he used his phone to make payments – which means he'd already been using a virtual card.

As Revolut didn't provide any further comments for me to consider and Mr S didn't provide any new information and accepted the provisional decision, I see no reason to change my findings or redress. So I still partially uphold this complaint, as I consider Revolut should've blocked Mr S's card a second time and had it done so, it could've prevented some of the loss. But I also consider Mr S should bear equal liability for the loss, as he didn't take all the steps he should've to protect his account.

Putting things right

I direct Revolut Ltd to:

- Refund Mr S all the reported unauthorised payments on 22 March 2024 from the \$63.19 payment at 7:23am, minus 50% for Mr S's contributory negligence
- Pay 8% simple interest on this refund from the date of payment to the date of settlement

My final decision

For the reasons set out above, I partially uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 June 2025.

Amy Osborne
Ombudsman