

The complaint

Mr M complains that Revolut Ltd is holding him liable for a transaction from his account which he says he didn't authorise.

What happened

Mr M says that on 14 January 2025, he processed a transfer of €250 from his Revolut account to what he believed was his own account with Bank N. Unfortunately, the funds never reached Bank N and when he contacted Revolut, it said it couldn't retrieve the funds because they had already left the Revolut system. It told him to contact the receiving bank, at which point he says he discovered the account was an overseas account in his name which he didn't recognise.

Mr M complained to Revolut, but it didn't refund the transaction. It said it acted in line with the terms and conditions of the account, *'even if you gave us the wrong account number, username or phone number by mistake'*.

Mr M wasn't satisfied and so he complained to this service arguing that Revolut failed to investigate how the account was created. Responding to the complaint, Revolut confirmed the transaction was made using Mr M's registered device, and that setting up a new payee required access the Revolut account, which means knowing the password or being able to pass biometric authentication.

Our investigator didn't think the complaint should be upheld. She explained that Revolut had shown the payee details were added on 30 January 2024, and that the disputed transaction was the third transfer to the payee since then. She further explained that Revolut had initiated a recall within five business days and chased the receiving bank, who didn't cooperate.

Mr M has asked for his complaint to be reviewed by an Ombudsman. He's explained that the account he paid had Bank N's logo on display, and the first two payments were too small to have raised suspicion. He believes Revolut has failed to investigate or explain how the account was set up as a payee on his account without his knowledge or consent.

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 conclusion as our investigator. And for largely the same reasons. I know Mr M feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

The Payment Services Regulations 2017 are relevant here. In short, the payment service provider (Revolut) will generally be liable for unauthorised payments; and a payment out of someone's account can only be authorised if it was authenticated and consented to.

Mr M accepts having made the transaction himself using his Revolut app, and so I'm satisfied it was properly authenticated. But I also need to be persuaded he most likely consented to it.

Mr M says he didn't set up the payee and that this was done without his knowledge or consent, but he hasn't reported that his phone was stolen or that he'd given his security details to a third party. Revolut has produced evidence that the payee was added to Mr M's account on 30 January 2024, explaining that setting up a new payee means knowing the password or being able to pass biometric authentication, which is necessary to access the Revolut account via the app. It has also shown the payment was made using Mr M's registered device and his user ID. In addition, the payee was added just a few minutes before the first transfer for £34.61, which Mr M accepts having done himself.

None of this is consistent with payee having been set up by a fraudster who had gone to the trouble of accessing the account using Mr M's device and setting up a new payee without his permission.

I've considered Mr M's comment that he was told by the receiving bank that the account doesn't exist, but the evidence I've seen suggests there was an account. In addition, he has produced a screenshot, but this doesn't show Bank N's logo. And there is no plausible explanation for why he'd have tried to transfer Euros to the account he held with Bank N. So, on balance, I'm satisfied it's more likely that not that Mr M set up the payee himself.

Critically, even if I accepted the payee was most likely added to the account by a third party without Mr M's permission, it's important to highlight that consent, under the applicable regulations, doesn't depend on Mr M having been fully aware of the details of the payment at the time he processed the transfer. So, for example, if there was a mistake or he was somehow tricked into paying a different account, this wouldn't necessarily mean he didn't consent to the transaction for the purposes of the regulations; for Mr M to be regarded as having consented to the payment under the regulations, it would be enough for him to have agreed to make a payment.

I understand Mr M maintains he thought he was sending funds to the account he held with Bank N and that he didn't set up the account to which these funds were sent, but, for the purposes of the regulations, he still consented to the transaction because he intended to make a transaction from the account; as already explained, the fact funds were sent to the wrong payee wouldn't invalidate consent for these purposes.

So, whilst I totally understand Mr M's strength of feeling, this means I think it's most likely that he did consent to the transaction in the way consent is decided under the regulations for determining whether a transaction is authorised or not. So, I can't say Revolut is required to refund the transaction as unauthorised.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 23 February 2026.

Carolyn Bonnell
Ombudsman