DRN-5725556

The complaint

Mr C complains that Revolut Ltd has declined to refund disputed transactions that were made from his account.

What happened

On 28 May 2024, transactions totalling almost £4,000 were made from Mr C's account to an online retailer. Mr C discovered the transactions the same day and contacted Revolut to report them as unauthorised. He asked it to refund the money.

But the bank didn't agree it was responsible for Mr C's loss, on the basis that it believed the transactions couldn't have taken place without Mr C's involvement.

Unhappy with this, Mr C raised a complaint. In response Revolut said:

- The disputed transactions were all carried out using Apply Pay.
- Apple Pay payments require authentication which can be completed by either passcode or biometric authentication (fingerprint/facial recognition).
- Because the disputed transactions were authenticated in this way, it could not raise chargebacks via the relevant card scheme in order to attempt to recover Mr C's money.
- It would not be upholding Mr C's complaint or issuing any refund.

Mr C remained unhappy and referred his complaint to this service where it was considered by one of our investigators. He didn't believe Revolut had provided enough evidence to show that Mr C had authorised the disputed transactions, and therefore felt Revolut should refund them.

Revolut didn't agree, however as a gesture of goodwill, it offered to refund 50% of the disputed transactions totalling £1,966.18 on the basis that it lacked clarity on how the necessary credentials were leaked in order for the disputed transactions to be made.

Mr C didn't accept Revolut's offer. So the complaint was passed to me to decide.

I issued a provisional decision on 17 July 2025. I said:

'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'm currently minded to require Revolut to refund all of the disputed transactions to Mr C, plus interest and £200 compensation. I've explained why below.

The regulations relevant to this case say that generally speaking, a bank is entitled to hold a customer liable for authorised transactions, and the bank is liable for unauthorised ones. And I've taken that into account when deciding what is fair and reasonable in this case.

Revolut has provided evidence to show that the disputed transactions were carried out on a device that had been linked to Mr C's debit card information on 23 May 2024, four days before the disputed transactions were made. Revolut has explained that in order to link debit card details to a new device, a person needs to add the card details to its wallet app, and then verify this action with a single-use confirmation code (OTP), which is sent to the cardholder's verified phone number in their Revolut account. Mr C has told us that he does remember receiving a message about a week before the disputed transactions took place, to say his card had been registered for Apply Pay. But he ignored it as he thought it was spam as he doesn't own an Apple device.

I've seen evidence that the OTP was sent to Mr C's mobile telephone number on 23 May 2024 – the same number that he's provided to this service. We've asked Mr C if he shared this OTP with anyone. But Mr C has maintained throughout that he didn't receive it. And, if he had, he wouldn't have shared it with anyone as he knows how important these codes are. Mr C has also said he didn't have any issues with his phone at the time, and it was turned off for some of the day on 23 May 2024 as he was unwell and didn't want anyone to contact him. He says when he turned it back on, he received a notification from Revolut about unusual activity on his account.

I've thought very carefully about what Mr C has said. I'm satisfied the OTP was sent to his telephone number, and he hasn't given any explanation as to how someone else could've intercepted the OTP and pass it on. I've considered whether there could have been any malware on Mr C's phone, but we've been given no indication this is the case, and this doesn't appear likely in the circumstances. So I think it's most likely that he did pass it on somehow. However, despite the OTP being required to add Mr C's details to a new device, Revolut has not provided me any evidence that Mr C went on to authorise the transactions he's disputing.

Mr C is alleging that the payments were unauthorised, and Revolut hasn't provided any evidence to link Mr C to the disputed transactions (such as the goods ordered, delivery address they were sent to, contact details from the merchant etc). The transactions were made to an online marketplace, so the card was not physically present with the merchant. This means they can be considered 'Distance Contracts'. Section 77 of the PSRs explains that a payer is not liable for any losses in respect to unauthorised payments in relation to a distance contract.

So even if Mr C had shared the OTP, as the transactions in dispute are distance contracts, gross negligence isn't a consideration here. So with nothing else from Revolut to show that the disputed transactions were linked to Mr C, I'm not satisfied that they were authorised by him. And therefore, Revolut should refund them.

Revolut's current offer

On 2 October 2024, via our service, Revolut offered to refund 50% of Mr C's loss, totalling £1,966.18. It didn't include any interest on this amount.

In April 2025, our investigator asked Revolut if it would be willing to process this refund to Mr C as soon as possible, because he'd told us he was struggling to pay his bills. Our investigator explained that it doing so wouldn't impact any final decision on the complaint. However, Revolut declined to do this whilst it was waiting for an ombudsman's final decision, as Mr C had previously rejected its offer.

I'm sorry to hear that Mr C has been struggling financially. Almost £4,000 was taken from his account and I appreciate the financial impact this would've had on him. But I see no reason why Revolut couldn't have refunded Mr C the £1,966.18 offer it made in October 2024. It's *reasonable to conclude that had Mr C received this refund at the time, or in April 2025 when our investigator informed Revolut of Mr C's situation, his financial difficulties would've been somewhat eased.*

Our investigator recommended Revolut pay Mr C £100 because it didn't uphold his complaint. However, considering the overall impact Revolut's handling of this complaint likely had on Mr C, and its unwillingness to process the £1,966.18 offer it previously made, I'm minded to require it pays him £200 total compensation to reflect this.

My provisional decision

It's my provisional decision that Revolut should:

- *Refund the total value of the disputed transactions to Mr C.*
- *Pay 8% simple interest on this amount, from the date of the transactions debiting to the date of settlement.**
- *Pay £200 compensation to Mr C.*

**If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.'*

Responses to my provisional decision

Mr C accepted my provisional decision.

Revolut responded to say that it had nothing further to add. And would wait for my final decision to proceed accordingly.

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 glad both parties broadly agree with the findings from the provisional decision. Having re-reviewed the evidence, I'm not persuaded I need to depart from the findings in the provisional decision. I'm satisfied that the payments from Mr C's account were more likely than not unauthorised, and under the relevant regulations, I find that Revolut should refund him.

Putting things right

To response this complaint, Revolut must:

- Refund the total value of the disputed transactions to Mr C.
- Pay 8% simple interest on this amount, from the date of the transactions debiting to the date of settlement.*
- Pay £200 compensation to Mr C.

*If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.'

My final decision

My final decision is that I uphold this complaint and direct Revolut Ltd to settle the complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 August 2025.

Lorna Wall
Ombudsman