

The complaint

Mr A complains that Revolut Ltd has declined to refund a disputed transaction that was made from his account.

What happened

On 27 March 2025, when travelling in a taxi overseas, Mr A says he was manipulated into authorising a payment far greater than the actual fare. He says the driver falsely claimed the correct fare of £9 had declined, and then deceived him into approving a further amount of £131.

When Mr A realised what had happened, he contacted Revolut to report the £131 transaction as fraudulent and asked for a refund. But Revolut didn't believe it was liable for Mr A's loss.

Mr A raised a complaint, and in response, Revolut said:

- It's decided not to refund the amount because the transactions in question was approved while Mr A had access to his account.
- In view of the Terms and Conditions of Mr A's account, and his responsibility to keep his account safe, it would not be upholding his complaint.

Mr A then referred his complaint to our service where it was considered by one of our investigators. She felt it was fair for Revolut to hold Mr A liable for the £131, as handing over his unlocked phone allowed the biometric login to be used. And in the circumstances, she felt it was fair for the transaction to be considered as authorised by Mr A.

Mr A didn't agree with our investigator. As well as other things, he said although the transaction appears technically authorised, it was not made with his genuine consent. The £131 payment was processed under false pretences and manipulation by the taxi driver, and he had no intention to approve this amount. He also said the fact that Revolut's systems didn't detect or question such an unusual, high-risk transaction and that no recovery effort was made, makes this even more frustrating.

As no agreement could be reached, the complaint has 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.

Having done so, I realise this will come as a great disappointment to Mr A, but I've reached the same conclusions as our investigator, for broadly the same reasons.

The relevant regulations here are the Payment Services Regulations 2017 (PSRs). In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. They also say that a payment transaction is

authorised if the payer has given consent to it. So, to conclude that Mr A authorised the disputed transaction, I've thought about whether the transaction was authenticated and whether Mr A gave his consent for it.

It's accepted by all that Mr A was tricked by the taxi driver. I was sorry to hear that this has happened to him. There is no dispute that the transaction was correctly authenticated (as in, the correct payment steps were completed). So, I've gone on to consider whether Mr A consented to it.

The PSRs specify how consent is given: it must be in the form, and in accordance with the procedure, agreed between Mr A and Revolut. Here, Mr A handed over his unlocked phone with his Revolut app open to the taxi driver. He did so on the understanding that a payment would be made. The agreed form and procedure between Mr A and Revolut was used, which had been initiated by Mr A for the purposes of a payment to be made. Consent doesn't depend on the payment service user being fully aware of the details of the payment at the time they completed the procedure for giving consent. And consent isn't invalidated by being pressured or coerced into giving consent to a payment. I fully accept that Mr A was tricked by the taxi driver, but in the circumstances, I find the £131 transaction was authenticated correctly and Mr A consented to it being made. Therefore, I'm satisfied it's fair to treat the £131 as having been authorised by Mr A.

I realise Mr A has questioned why Revolut allowed the disputed transaction to be processed without any fraud prevention in view of its unusual nature for his account behaviour. So, I've thought very carefully about whether Revolut should have intervened and stopped the transaction from being processed. I've looked at Mr A's Revolut account statements in the months leading up to the disputed transaction, and whilst I appreciate the transaction was made to a new payee, two minutes after the £9 agreed fare was processed, I don't consider it was so unusual or out of character that Revolut should have had cause for concern that Mr A's account was at risk of fraud. The value of the transactions was not particularly large in comparison to his usual account behaviour. So, whilst I know Mr A will disagree, I don't find Revolut did anything wrong allowing the transaction to be processed without question.

And whilst I accept it would've been helpful for Revolut to have contacted the beneficiary bank in an attempt to recover the £131, I'm not persuaded that in the circumstances, such attempt would've been successful. As our investigator has already pointed out, Mr A authorised this transaction (albeit because he was tricked), and it seems unlikely the beneficiary would've given the necessary permission for the £131 to be returned to Mr A had Revolut explained the situation to the beneficiary bank.

Overall, I realise this is not the outcome Mr A was hoping for, but as I consider it's fair to treat the disputed transaction as authorised by Mr A, and because I don't find Revolut treated Mr A unfairly, I don't require it to do anything more here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 10 March 2026.

Lorna Wall
Ombudsman