

## **complaint**

Mr D is unhappy with Revolut Ltd's decision to hold him responsible for transactions he says he didn't make or authorise.

## **background**

Mr D raised two fraud claims with Revolut: one on 3 June 2018 (concerning transaction from 13 April to 18 May 2018) and another on 17 June 2018 (concerning transactions from 7 to 16 June 2018). All of the transactions were made without the presence of a physical card; they all appear to be online payments.

Mr D let Revolut know he'd lost his phone on both occasions, though it had later turned up in his apartment a week later. The dates of when the phone was actually lost are unclear.

Mr D was particularly adamant that he wanted chargebacks to be raised for each disputed transaction when he contacted Revolut.

Revolut initially looked to raise chargebacks for both claims. Some transactions were refunded by the merchants involved at the time. But after some further discussion with Mr D, Revolut stopped the process and held Mr D responsible for the spending. That was after Mr D had informed it that he'd taken a photo of his virtual card and stored it outside the app. Revolut later closed Mr D's account.

Mr D brought his complaint to our service as he was unhappy with Revolut's actions. One of our investigators looked into the case and didn't uphold it. He found the following:

- Mr D appeared to have been discussing the account with Revolut before the disputed transactions started. The conversations included detail around the chargeback process and unblocking the account (which was following unsuccessful attempts at one of the first disputed transactions). Questions were also asked about refunds and how long they'd take to process.
- The virtual cards used were created within the app and hadn't been used for genuine spending before the disputed transactions started. So it wasn't clear how someone could have obtained the details for fraudulent use.
- There wasn't an explanation for how someone else might have accessed Mr D's app or obtained the card details. His phone had apparently been lost but turned up in his apartment. And Mr D didn't have a record of any of his login details anywhere.
- It was more likely than not Mr D had either made the transactions himself or allowed someone else to do so.
- Revolut had acted fairly and in line with the terms and conditions when it closed Mr D's account.

Mr D didn't accept the outcome and asked that the case be reviewed. He didn't supply any additional comments following the opinion.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I'm not upholding and I'll explain why.

I can see from his contact with Revolut that Mr D was particularly unhappy it hadn't followed through with chargebacks for each disputed transactions. Whilst that might be a means of recovering funds in dispute, a chargeback isn't a consumer right; it's something provided for by the relevant card scheme rules and business aren't obliged to raise them.

The relevant regulations here are the Payment Service regulations 2017. Broadly, they say a bank should normally refund unauthorised transactions, subject to some applicable conditions I'll not go into here. But the consumer will be liable for authorised transactions. I believe these transactions were authorised by Mr D and that's why I'm not directing Revolut to refund them.

My reasoning follows the same line as the investigator's and so I won't set everything out in detail again here.

- There's no explanation for how an unknown third party could have gained access to Mr D's phone, app, login information and two sets of virtual card details.
- The virtual cards aren't genuinely used before the disputed transactions start. So there appears to be no other way someone could have gotten the details.
- Mr D was directly questioning Revolut about chargebacks and refunds in the same period as the disputed transactions. I find that to be very unusual and it suggests to me Mr D was aware he'd be asking the bank to recover money for him in the near future.
- The conversations Mr D has with Revolut are more than a week apart. So even if one conversation wasn't him, the other must have been, as the phone wasn't out of his possession for longer than that.
- It seems unlikely Mr D lost his phone on two separate occasions only for similar instances of fraud to occur twice in quick succession.

I also agree that Revolut fairly closed Mr D's account. It wasn't satisfied with his conduct as a customer and enacted terms and conditions it was entitled to rely on.

## **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 13 April 2020.

Ben Murray  
**ombudsman**