

## **The complaint**

Ms L complains that Revolut Ltd will not refund a payment she says she did not authorise.

## **What happened**

Ms L holds a Revolut account. A feature of the account is that it provides 'disposable virtual cards' which can be used for one payment and then are automatically deleted so those card details cannot be used again.

On 7 July 2022 a payment of approximately £715 was made from Ms C's account in a foreign currency, using a disposable virtual card that had been set up on her account. Ms L received a notification that the payment had been made, and contacted Revolut to say that she had not made the payment herself.

Revolut looked into what had happened but did not consider that there was any evidence to show the payment was fraudulent, so it believes that Ms L authorised the payment or otherwise allowed it to be made. Ms L maintains that her account must have been compromised in some way and that she did not make the payment and has no relationship with the merchant it was made to. Ms L is also unhappy that no additional security check was carried out before the payment was allowed to go through, given the amount it was for and that it was in a foreign currency that she had not previously transacted in.

Ms L referred her complaint to our service, and one of our Investigators looked into what had happened. But having considered the evidence provided, they agreed with Revolut's assessment that it was more likely Ms L had authorised the payment.

Ms L remained unhappy, so as no agreement could be reached her complaint has been passed to me for review.

## **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 the same reasons.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Ms L is responsible for any payments that she has authorised (either by making them herself or allowing someone else to) and she isn't responsible for unauthorised payments. So, the key question here is whether Revolut has acted fairly in concluding that Ms L did authorise the disputed payment.

Revolut has explained that the virtual card that was used for the payment could only have been used by someone who had access to Ms L's banking through the Revolut app. It has shown that only one device was registered to use the app for Ms L's account – the phone she had been using since 2019 – and Ms L has said nobody else had access to her phone

or knew her PIN. So I don't see that here is any explanation for how someone other than Ms L could have made this payment. Ms L has suggested that her account could have been hacked, and has pointed to an article about a security flaw at Revolut. But I've seen nothing to suggest that there was any breach of Ms L's account in this case, and the article she refers to also does not appear to apply to the circumstances we are looking at here.

Revolut has also noted that the disposable card was initially verified with the merchant in June 2022, that Ms L had previously had pending transactions with the same merchant, and that a failed transaction to that merchant was also attempted using a different card on Ms L's Revolut account after this disputed payment. Ms L says she has never had any dealings with the merchant, but I don't think the evidence I've seen supports what she has said.

Lastly, I note Ms L's comment that she believes the payment should not have been approved without further authentication. I can understand why she feels this way, but given the value of the payment and the nature of Ms L's account (ie. that it was regularly used for payments in a variety of foreign currencies) I don't think it is unreasonable that it was processed without additional checks. And in any case, given that I think it is more likely than not that Ms L authorised this transaction or otherwise allowed it to be made, I don't think further verification would have changed the outcome here.

I know this will be disappointing for Ms L, but with what I've seen I'm satisfied that Revolut was fair to find that Ms L more likely than not authorised this transaction or otherwise allowed it to be made. It follows that I won't be asking Revolut to refund the payment to Ms L.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 21 September 2023.

Sophie Mitchell  
**Ombudsman**