

The complaint

Mr F complains that Revolut Ltd reversed a chargeback claim and closed his account.

What happened

Mr F raised a chargeback claim on 3 Feb 2023. This was for a payment to a company I'll call 'B' made on his account the same day that he said he did not recognise. The payment of £57.19 was credited back to his account but Mr F was warned this could be reversed at a later date. On 7 February 2023, the payment was reversed and the £57.19 was deducted from his account again, as Revolut could find no indication of fraud.

Mr F also raised a separate disputed transaction in December 2022 for a payment to a railway company for £729. He initially said he did not recognise the payment, but later said his mother had tried to purchase the ticket but he had not received it. He has since withdrawn his disputed transaction claim for this amount, and I understand the company has agreed to refund him. Mr F should contact Revolut directly if he has issues with this.

Revolut contacted Mr F on 14 February 2023 and explained it was withdrawing his banking services and that he had 60 days to transfer the funds out of his account. Mr F is unhappy that they have not provided him with a reason for the closure and feels they are discriminating against him due to his medical issues.

Mr F referred the complaint to our service and our Investigator looked into it. They explained they would not be looking into the payment to the railway company further as Mr F had withdrawn the disputed transaction claim. In relation to the payment to B, they did not think there was any indication of fraud and that it was more likely Mr F himself had made or otherwise authorised the payment. And they felt Revolut had followed the correct procedure when it chose to close Mr F's account.

Mr F disagreed with this, so the complaint has been passed to me for a final decision.

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 agree with the Investigator for largely the same reasons, so I do not uphold Mr F's complaint. I'll explain why in more detail.

As has previously been set out, Mr F has withdrawn his disputed transaction claim about the payment of £729 to the railway company, so I won't discuss this further in this decision.

Disputed payment to B

Generally, Revolut is able to hold Mr F liable for the disputed transaction if the evidence suggests it's more likely than not that he made or authorised them himself. This position is

confirmed in the Payment Service Regulations 2017 (PSRs) and the terms and conditions of his account.

From what I've seen, the payment was made using Mr F's virtual Revolut card via his app. While this is important, it isn't enough on its own to say Mr F is liable for the transaction. Revolut also has to show it's more likely than not that Mr F himself made or otherwise authorised the transaction

Mr F has said that in December 2022 he received a text from what he thought was a legitimate court and it had a link in it which he clicked. When he did so, his phone froze, and he had to take it to get fixed. He thinks it is possible that his banking details were hacked at that point, and this is how the payment to B occurred.

I have not been given any evidence of the text, or phone issues Mr F had or anything to show he got it fixed when he said he did. On balance, while I am not a technical expert, based on my experience I think it is unlikely that clicking a link in a text would allow a third party to gain access to a protected banking app on Mr F's device and allow them to make a payment two months later. I say this because there are multiple layers of security it would have to get through and the time in-between makes it significantly less likely. Finally, I wouldn't expect a scammer to go to such lengths to make a payment of only £57.19 when there was over £2,500 in the account, as they would typically try to drain an account as much as possible.

Revolut has provided evidence to show the payment to B was manually entered using the virtual card on Mr F's app. This means a third party would have had to access his Revolut app in order to make the payment. Mr F initially said that in order to log into his Revolut app he uses either facial recognition or a PIN, but later said that if his phone is unlocked, he does not need to go through any security to unlock the app. It is difficult to place much weight on Mr F's version of events as he has changed it over time. As Mr F did not lose his phone or give anyone access to it, I think it's more likely he carried out the transaction himself.

Revolut has also provided the response from B to Mr F's chargeback claim. In this, they provided evidence to show that the payment was made with Mr F's own card and the booking was completed with Mr F's own e-mail address, full name and residential address. And I think this also suggests Mr F himself made or otherwise authorised the transaction to B. I appreciate his comments that his account with B could have been compromised when he clicked on the link in the text mentioned earlier. But I've explained above why I think it is unlikely these two events are linked.

All of the above evidence suggests to me that there was no clear point at which a third-party could have bypassed the security on Mr F's phone and Revolut app in order to make the payment. And on balance, I think it's more likely Mr F made or otherwise authorised it himself. So, I think it was reasonable that Revolut held him liable and reversed the chargeback attempt.

Account closure

Looking at the terms and conditions of the account, it states Revolut may close or suspend an account for any reason, and they would give two months' notice of this. I can see that Revolut did provide Mr F with 60 days' notice, so it followed its agreed process.

Mr F is unhappy that Revolut have not set out their reasons for closing his account. However, they are not required to do so. I have reviewed Revolut's evidence and rationale for making this decision and I don't think they reached it incorrectly or unreasonably. From what I have seen, I think that they followed the correct process, so I can't see they have made an error in the circumstances.

Mr F has said that he thinks that Revolut decided to close his account due to his medical issues and that this amounts to discrimination under the Equality Act 2010.

The first thing I need to clarify is the fact that this service is unable to make findings on whether or not something constitutes discrimination as per the Equality Act 2010, this is for a court to decide. However, I can consider whether or not the business has acted in a fair and reasonable manner, and in order to do that I will take a number of things, including the Equality Act 2010, into consideration.

Having done so in this case, I can find no indication that Revolut's decision to close Mr F's account is in any way related to his medical issues. So, I don't think he has been treated differently as a result of his medical issues and I don't think Revolut has made an error in the circumstances. I've explained above that I think Revolut's decision to close Mr F's account was done so correctly and reasonably, in line with the terms and conditions of the account.

Having carefully considered everything available to me, I think it was reasonable for Revolut to reverse the chargeback and hold Mr F liable for the transaction of £57.19. And I think Revolut followed the correct process when it closed his account. So, I'm not going to ask them to do anything to resolve the complaint.

My final decision

I do not uphold Mr F's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 28 November 2023.

Rebecca Norris
Ombudsman