

The complaint

Mr F complains that Revolut Ltd did not process a chargeback claim for a payment he did not recognise.

What happened

Mr F noticed a transaction for £36 to a hotel which he says he did not authorise. The transaction occurred on 2 February 2023 and Mr F attempted to raise a chargeback claim on 30 March. Revolut could find no evidence of fraud on his account, so declined to process the chargeback claim.

Mr F referred the complaint to our service and our investigator looked into it. They explained that Mr F is generally liable for any payments he authorises himself. Based on what they had seen, they did not agree the payment followed the pattern of a fraudulent payment and the evidence they had seen suggested Mr F authorised the payment himself. So they did not agree Revolut should refund Mr F.

Mr F disagreed with the outcome and felt he had been targeted by an individual fraudster. As an informal agreement could not be reached, 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, the evidence I have seen suggests it's more likely Mr F himself made or otherwise authorised the payment to the hotel, so I think it is reasonable that Revolut has held him liable, I'll explain why in more detail.

Mr F attempted a fraud chargeback on the payment of £36 because he said he did not recognise it. While we would expect Revolut to attempt a chargeback if they felt it would be successful, it is still a voluntary scheme, with no guarantee of success. So, if Revolut did not feel a chargeback would be successful, it would be reasonable for them not to carry on with the claim.

Revolut has explained that the payment was made using Mr F's virtual card, meaning whoever authorised it had to have access to Mr F's Revolut app on his phone. Mr F has said that around that time, he was in class at the time and had left his phone and card in a locker outside the classroom. He felt it was safe as, although the locker was unlocked, it was near a reception desk, there was CCTV, a security guard nearby, and he does not think another student would tamper with his phone.

Considering what Mr F has said, I think it's unlikely someone would have been able to access his phone to make the payment considering the security around where it was located. In addition, even if someone were able to access his phone, they would then have to bypass the security on the phone itself, as well as any security on Mr F's Revolut app.

And I think this is unlikely as Mr F has confirmed he did not pass on his security details to anyone else. Also, even if someone were able to access his phone, I think it is unlikely that they would only make a £36 payment, as fraudsters typically will spend as much as possible on the account and not such a small payment.

Generally, Revolut can 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. And as I've explained above, based on the evidence I've seen, I think it's more likely Mr F made or otherwise authorised the transaction himself. So, I think it is reasonable that Revolut held him liable for the payment and did not process the chargeback claim.

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 4 December 2023.

Rebecca Norris
Ombudsman