

## **The complaint**

Mr N complains that Revolut Ltd did not refund a series of transactions he lost as part of a scam.

## **What happened**

Mr N received a text from a delivery company with a link attached. As he was expecting a parcel, he clicked the link and filled out the form. He's said he input his Revolut card details and his post code. Later on, he received a phone call from Revolut's number and was asked if he had responded to a text. When he said yes, they explained his accounts had been compromised and he had to move his funds.

He proceeded to transfer funds into his Revolut account from his other external bank accounts. A number of card payments then debited his account which Mr N said he was unaware of.

Mr N raised a chargeback claim with Revolut. However, it was explained that as the payments were authorised, there was no sign of an account takeover and Mr N was not expecting any goods or services from the merchants, there were no grounds for a chargeback request. Revolut also said that Mr N had stated he did not authorise the payments or approve them, but the evidence showed four of the payments had gone through additional authorisation on his trusted device, so his story was unclear. In any event, they did not agree the transactions were unusual so declined to refund him.

Mr N referred the complaint to our service and our Investigator looked into them. They agreed that Mr N's testimony did not align with the evidence, as he had said to us that he did not notice the card payments coming out of the account and did not approve them. But the evidence suggested they had been authorised. And they felt that even if Mr N had authorised them, it was difficult to agree any intervention from Revolut before the payments were processed would have made a difference as they could not rely on his testimony.

Mr N has since said in response to the view that he did authorise the payments and that his previous communication had been misleading. He said he meant that he had physically completed the authorisation process for the transactions, but without an understanding of what that meant so there was no informed consent due to the extreme stress he was under. He later said that he did not think Revolut's system required an authorisation of each transaction.

It was explained to Mr N that this was a significant change in his story, and it would therefore be difficult to rely on his testimony to assess what happened during the scam.

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

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

Mr N says there has been a miscommunication about whether or not he authorised the transactions. There have been several inconsistencies in Mr N's testimony to both Revolut and our service. I can see he previously said he did not approve the transactions and that he did not notice them leaving his account. But he later said while he did authorise the transactions, he did not do so knowingly as he was under such pressure. He has now said that he does not think Revolut required approvals for individual payments. These are all different versions of events and while it is understandable that memories can fade over time, it does mean I am unable to place much weight on Mr N's testimony in general.

The evidence I have seen shows that the final four payments required additional authorisation, and these were approved using Mr N's trusted device. Additional authorisation is required when the payments have a higher risk. I note the initial two payments did not require the additional authorisation as they were only small values, and I think this was reasonable.

Mr N has suggested that once the Revolut app was opened, no additional authorisations would be needed for transactions, but this is incorrect. I have seen a sample of what Mr N would have seen when he approved the individual payments, and these would have clearly shown the name of the merchant and the amounts he was approving the payments for and he would have had to actively select to approve each of the four payments. I therefore think that even taking into account Mr N's mental state, it's more likely he was aware that he was authorising a number of payments to debit his account. I think it also follows that he was aware of the initial payments that did not require authorisation so overall, Mr N is liable for the transactions in the first instance.

There are some situations in which Revolut should reasonably intervene in a payment before it is processed if it is sufficiently unusual or suspicious in comparison to the genuine account activity. On balance, the transactions in question were not significantly higher than other genuine transactions made on the account, and I don't think the values alone were so unusual to have warranted intervention. Though I do note that the final four payments were made in relatively quick succession, which can be a sign of financial harm. However, due to the inconsistencies in Mr N's testimony, it is difficult for me to rely on his version of events, including what he would have said if Revolut had intervened prior to one of these payments being processed. So, having carefully considered everything available to me, I don't think that it's more likely Revolut missed an opportunity to intervene and reveal the scam in the circumstances.

I've finally considered whether Revolut could have recovered the funds via the chargeback scheme as they were debit card payments. It should be noted that a chargeback is part of a voluntary scheme run by the card scheme operator to settle disputes between the consumer and a merchant and there is no guarantee of success if a claim is raised. Revolut is only required to raise a chargeback claim if there is a reasonable chance of success, and they can only be raised in certain circumstances. Having considered Mr N's case, I don't agree that a chargeback claim needed to be raised. There were no goods or services that were expected, and as I am satisfied the payments were authorised, a fraud chargeback would

not be appropriate in this case. So, there was no appropriate chargeback code for this situation and Revolut acted reasonably when it did not raise one.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 24 April 2024.

Rebecca Norris  
**Ombudsman**