

The complaint

Mrs D is unhappy that Revolut Ltd won't refund payments she didn't make.

What happened

- Mrs D received a message on her Depop app that she'd sold an item she'd listed. To receive the money, she was asked to follow a link to receive the payment.
- The link sent her to a website purporting to be connected to Depop. It asked her to enter her card details and when prompted, complete steps in her Revolut app. They told her this was for 'verification' and to complete the transfer to her card. They also assured her it wouldn't affect her balance and funds wouldn't be debited.
- Shortly afterwards, Mrs D noticed money had in fact left her account – two card payments totalling £497. She disputed these with Revolut, who declined to refund her. So she brought her concerns to our service to investigate.

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 outcome reached by our investigator for these reasons:

- I've started by considering whether Mrs D authorised these payments. This is relevant as, in line with the Payment Services Regulations 2017 (PSRs), she would generally be liable for payments she authorises – whereas Revolut would be liable for unauthorised payments.
- The PSRs specify that authorisation depends on whether the payments were authenticated correctly – and whether Mrs D consented to them. It doesn't appear to be in dispute that the payments were authenticated correctly (as in, the correct payment steps were completed). So I've gone on to consider whether she consented to them.
- The PSRs specify how consent is given: it must be in the form, and in accordance with the procedure, agreed between Mrs D and Revolut.
- To establish the agreed form and procedure, I've reviewed the relevant terms and conditions. These don't set out in detail how Mrs D consents to making online debit card payments, which is the nature of the payments in dispute here. So I've looked at the practical steps that would've been needed. It seems she would've needed to enter her card details on the merchant's website and, when prompted, confirm the instruction in her Revolut app.
- Here, it's agreed it was fraudsters who completed the first step: by entering Mrs D's card details on the merchant's website having tricked her into sharing them by posing

as Depop. I accept it's likely Mrs D completed the second step: by accessing her Revolut app and pressing 'confirm'.

- I acknowledge Revolut's point that without this second step that Mrs D completed, the payments wouldn't have happened. But it remains that she didn't complete the entire form and procedure to consent to these payments – after all, the payments also couldn't have happened if the fraudsters hadn't set up the payments on the merchant's website. Taking this into account, I'm satisfied these payments are unauthorised in line with the PSRs.
- Revolut hasn't pointed to a reason Mrs D ought not to be refunded for these unauthorised transactions. Nonetheless, because she shared her card details and confirmed the payment in her app, I will summarise why I don't consider that she failed with gross negligence to comply with the terms of the account and keep her personalised security details safe. This is relevant because, if she did, she wouldn't be entitled to a refund under the PSRs.
- I've noted that the message she received on Depop correlated to an item she'd genuinely listed and the website it took her to convincingly mimicked Depop's branding and again, gave details of the listing she expected to receive money for. I've also noted the numerous reassurances this was for verification and to receive money onto her card – on both the website and the website's 'chat' function. In these cleverly deceptive circumstances, I can see how Mrs D shared her card details and completed the steps in her Revolut app. I don't think it meant she failed with gross negligence.
- It follows that, in line with the PSRs, I don't consider Mrs D can be fairly held liable for these unauthorised payments and Revolut must put things right – by refunding her losses from the payments alongside 8% simple interest per year to compensate her for the time she's been out of pocket.
- Finally, I've noted Revolut has also raised several arguments that I consider to be relevant to authorised payment scams. But, as I've concluded these payments are unauthorised, I don't think it's relevant to address these.

My final decision

For the reasons I've explained, I uphold Mrs D's complaint. Revolut Ltd must:

- Pay Mrs D the total of the disputed payments less any amount already recovered or refunded. I understand this to be £497.00.
- Pay 8% simple interest per year on this amount, from the date of the disputed payments to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 20 June 2024.

Emma Szkolar
Ombudsman