

The complaint

Ms M says Revolut Ltd (“Revolut”) refuses to refund her for transactions on her account she says she didn’t authorise.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In summary, Ms M says she was away in Brazil when she received notifications on her phone from her Revolut app regarding five transactions on her account she didn’t make. Ms M says she then realised her debit card was missing and she immediately contacted Revolut to complain. Ms M says she has never written down her PIN or shared this with anyone else, and she doesn’t know exactly how her card was stolen.

Revolut says it has held Ms M responsible for the transactions as they were all completed using her genuine card and PIN. It says there is no way someone else could’ve known her PIN, so even though she says the card wasn’t taken this doesn’t explain how someone else could’ve made these PIN verified transactions.

Our investigator considered this complaint and he agreed that it seemed more likely these transactions were unauthorised. However, he still decided not to uphold the complaint as he felt, in the absence of a plausible explanation on how someone else got her PIN, it must have been written down with the card that was stolen. So, he held her liable as he felt she had been grossly negligent. Ms M didn’t agree, so the complaint was 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.

Generally speaking, Revolut is required to refund any unauthorised payments made from Ms M’s account, unless there is evidence Ms M had been grossly negligent in some way which allowed the transactions to take place. Those rules are set out in the Payment Service Regulations 2017. Ms M has said she didn’t carry out the transactions in dispute, but Revolut thinks she did. So, I have to decide whether I think it’s more likely than not Ms M made the transactions or not.

The evidence shows the transactions in dispute were carried out using Ms M’s genuine chip and PIN. Chip technology is complex and sophisticated, and there have been no known instances when the chip in the card has been successfully copied. This means that when the computer records show that the genuine card and chip has been used, it’s likely this is the case. The evidence also shows the PIN was needed for each of these transactions. So, I’m satisfied that the transactions were correctly authenticated using the genuine card and PIN, but this doesn’t necessarily mean they were made by Ms M. But whoever did make the payments was in possession of Ms M’s card and had knowledge of the PIN.

I've identified that the transactions in dispute were made in quick succession and after the initial small payment, the following four payments were more sizeable – which is unusual for Ms M's general spending habits and more usual of fraud. They were all to the same merchant and were all made while the card terminal was offline. Ms M contacted Revolut immediately after receiving the notifications and she went to the police in Brazil to log the theft. Which is all suggestive of fraud. However, this still doesn't explain how someone else had knowledge of Ms M's PIN.

When she made her complaint to Revolut Ms M said she no longer had her card with her, so she thinks it is likely it was lost or stolen after she arrived in Brazil. She landed in Brazil on the same day as the transactions in dispute, and I've not seen any evidence to suggest she could have been shoulder surfed entering her PIN anywhere else while she was in Brazil.

The technical evidence shows that the correct PIN was used on each occasion. There are no failed PIN attempts. There are 10,000 possible combinations of a four-digit PIN, so it's most unlikely anyone would correctly guess a PIN. So, the key factor here is how anyone other than Ms M, could have found out the correct PIN. We asked Ms M to tell us more details about the theft or how someone else could've obtained her PIN, but I've not been persuaded by any of the evidence provided.

Having considered everything, I think there are three possible options here. One is that Ms M carried out the transactions herself. Another option is that she consented to the transactions by making the card and PIN available to someone else. The third option is that a third-party, unknown to Ms M stole the card and found out the PIN because she'd written it down with the card.

Ms M is adamant that she didn't write the PIN down and keep it with the card. Which suggests one of the other two alternatives happened. In practical terms, it doesn't make any difference which of these three options happened here. That's because Ms M is liable whether she carried them out herself; or allowed someone else to do so by letting them have her card and PIN; or was grossly negligent by writing down her PIN and keeping it with her card. And without stronger evidence to persuade me otherwise, I do not think it would be fair to ask Revolut to refund Ms M for the transactions in dispute.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 1 April 2025.

Sienna Mahboobani
Ombudsman