

The complaint

Miss F complains that Revolut Ltd won't refund money she lost, after she fell victim to an Authorised Push Payment (APP) scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it all here, But briefly, and based on the submissions of both parties, I understand it to be as follows.

In January 2023, Miss F was contacted by somebody claiming to be from HMRC who told her that she had an outstanding tax bill. The caller persuaded Miss F to send two payments, in the belief that she was settling the bill. But unknown to her at the time, she was speaking to a fraudster and had sent money to accounts the fraudsters controlled.

Miss F made transfers totalling £1,680 to the fraudsters, from her Revolut account. A breakdown of these payments is listed below;

20 January 2023 @ 11:06	£1,280
20 January 2023 @ 11:17	£400

Miss F soon realised she'd been scammed and raised the matter with Revolut, just under 2 hours after the last payment had been made. Revolut looked into things and issued its final response on 31 January 2023. In summary it said it was sorry that these events had happened to Miss F, but it didn't uphold Miss F's complaint. It said it had warned Miss F about sending money to unknown beneficiaries before she'd made the payments. It added that it had tried to recover the money lost from the beneficiary banks (the banks to which the payments were made), but unfortunately it wasn't able to recover any money.

Unhappy with Revolut's response, Miss F brought her complaint to our service and one of our Investigator's looked into things, but he didn't think the complaint should be upheld. In summary, he didn't think Revolut could reasonably have been expected to prevent the payments and he didn't think Revolut ought to have intervened more than it did.

As Miss F didn't agree with our Investigator's opinion, her complaint has been passed to me for a 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.

I'm sorry to hear Miss F was the victim of a scam and I can understand why she wants to do all she can to recover the moneys she lost. But I can only direct Revolut to refund Miss F's losses if it can fairly and reasonably be held responsible for them.

Where Miss F authorised the transactions, it means that Revolut was obliged to follow her instructions.

But, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry standards, there are circumstances where it might be appropriate for Revolut, as an electronic money institute ('EMI'), to take additional steps or make additional checks before processing a payment in order to help protect its customer from the possibility of financial harm from fraud. For example, if a customer made a payment request for an amount that was out of character given the normal use of an account, I'd expect Revolut to intervene and ask questions about the intended transaction before processing it and provide a suitable warning.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a bank to check each one. And, in situations where Revolut do intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

In this case, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. Revolut did recognise the payments were unusual for Miss F, in comparison to how she typically ran her account. In view of this it provided warnings to Miss F at the point she was making the payments. And all things considered I think that Revolut did enough in providing a warning to Miss F when she made the payments. I think that was a proportionate intervention, given the individual circumstances of this case, and I'm not persuaded Revolut needed to do anything more.

I'm also satisfied Revolut acted reasonably in attempting to recover Miss F's funds, but that it wasn't able to recover money from the beneficiary accounts. Sadly, it is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery, which was the case here.

It's very unfortunate Miss F has lost this money in this way, and I understand the whole experience has been deeply upsetting and I have a great deal of sympathy for her. But in the circumstances, I don't think I can fairly or reasonably say Revolut should have done more to prevent Miss F from losing her money.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 10 July 2023.

Stephen Wise
Ombudsman