

The complaint

Mr K complains that Revolut Ltd won't refund the funds he lost to a scammer.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving the reasons for my 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 outcome reached by the investigator for the following reasons:

- In line with the Payment Service Regulations 2017 (PSRs), Mr K isn't liable for payments he didn't authorise, unless he failed with intent or gross negligence to comply with the terms of the account or keep his personalised security details safe.
- To decide whether Mr K authorised the payment, I've considered the PSRs. Broadly, these explain that it depends on whether the payment transaction was authenticated correctly and whether he consented to it.
- It's clear the payment was properly authenticated. But to be authorised, the PSRs also require Mr K to have consented to the payment. They also set out how consent is given; this isn't open to interpretation. It must be given in the form, and accordance with the procedure, agreed between Mr K and Revolut. Essentially that means Mr K would have consented to the payment if he, or someone acting on his behalf, completed the agreed steps for making a transaction.
- After listing an item for sale on an online marketplace, Mr K was contacted by someone who said they wanted to buy it – "the scammer". The scammer obtained Mr K's email address from him and sent an email, posing as the online marketplace, to let him know there was a buyer for his item. The email included a link for Mr K to 'confirm the deal' from where he was prompted to, and proceeded to, enter his card number, the card expiry date, and the CVV code.
- Following this, Mr K would have received a push notification in his Revolut app, requiring him to provide his passcode before confirming the payment. Revolut says the message on the screen would have said "Confirm your online payment". It also would have stated the merchant the payment was being made to, which was an international money transfer company, and the amount of the payment – which I note wouldn't have matched the item cost. The chat transcript provided shows that Mr K asked "*So I press confirm?*" The scammer responded "*Yes, I will then send the confirmation!*" and Mr K then asked "*Did it go thru?*" and "*Will I get my money back?*" So, given that Mr K completed the agreed steps to make the transaction, under the

PSRs he'd be considered to have consented to the transaction. It also seems apparent that Mr K knew he was making an initial payment.

- As I'm satisfied that the transaction was authenticated correctly and that Mr K consented to it, it's considered authorised. I accept that Mr K was tricked into doing so, but that's not a consideration under the PSRs in determining whether the payments were authorised. And that means the starting position is that Mr K is liable for the payments.
- However, 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 to help protect its customers from the possibility of financial harm from fraud. And this might be where payments are significantly unusual or uncharacteristic when compared with the normal use of the account. In such circumstances, it might be reasonable to expect Revolut to intervene and ask some questions about the intended transaction before processing.
- In this case, Mr K used the account regularly and it wasn't a new account. While the payments he'd previously made weren't quite as high as this one, I don't consider the amount to be *significantly* unusual or uncharacteristic to the extent it should have prompted further checks before the payment was made.
- I note other payments were blocked on the same day as the disputed transaction and I've thought carefully about these and whether that impacts any checks Revolut should have carried out. But two of these were declined on the basis of the wrong CVV code being entered, two were detected as unusual and declined automatically by Revolut's systems and there was also a successful payment made which hasn't been disputed. So I don't consider these – none of which were made or attempted to the same merchant as the disputed payment in question – to make a difference to the outcome of this complaint.
- At the time, Revolut wouldn't have known Mr K was falling victim to a scam – particularly as the payment was made to a legitimate merchant. I don't think there was anything Revolut should have identified as being inherently suspicious at the time. So I don't think it did anything wrong by not carrying out further checks.
- I've then thought about whether Revolut could have done more to help Mr K to recover the funds once it was made aware of the scam, but I don't think it could have. A chargeback wouldn't have been successful here. There are several reasons behind this but, crucially, the payment went to a legitimate merchant that carried out the service it was required to – sending an international payment. So, I don't think Revolut could reasonably have done more to recover the funds.

I'm very sorry about Mr K's loss and I can see the huge impact this has had on him. But for the reasons given above, it wouldn't be fair to hold Revolut liable.

My final decision

For the reasons given above, I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 August 2023.

Melanie Roberts
Ombudsman