

## **The complaint**

Miss B is complaining that Revolut Ltd haven't refunded the money she lost in a scam.

## **What happened**

In January 2023 Miss B was contacted by a scammer. The scammer told Miss B that he worked for Revolut, her account with Revolut and her linked bank account had been compromised, and to expect a call from a fraud adviser from her bank. She then received another call from someone who told her he was an adviser from her bank, and he would help her to set up a new account to transfer her money to, to keep it safe. He told Miss B to move all her money from her bank account to her Revolut account, and then on to the new 'safe' account which he said had been set up in her name.

Miss B moved her money from her bank account into her Revolut account. Prompted by the scammer, she then attempted to transfer £100 to her 'new account' with Revolut, with her own name as the beneficiary. She selected the reason for the transfer as 'something else.'

This payment triggered Revolut to display a warning. The warning said that the beneficiary details Miss B had entered - her own name - didn't match the beneficiary name on the account. But the scammer told Miss B this was because she couldn't have two Revolut accounts at the same time. Miss B proceeded, and was shown another warning asking if she knew the payee – and if she was unsure, not to make the payment as she may not be able to get her money back.

Miss B again chose to proceed with the payment, but the payment was held, and an agent from Revolut contacted Miss B directly over the online chat function in Revolut's app.

The agent told Miss B the beneficiary name she had entered didn't match their records. They said that if she'd been told the payment was being made to a newly created safe account in her name, to stop any communication as it was likely to be a scam – and they strongly recommended she didn't go ahead with the payment. They asked Miss B if she still wanted to go ahead. Miss B said she hadn't experienced any of this and wanted Revolut to approve the transaction.

The agent went on to explain how a 'safe account' scam was typically carried out, and asked Miss B if that or something similar was the reason for the payment. Miss B said she had not experienced this.

The agent went on to ask Miss B a list of questions about the payment, including whether she'd been told that she needed to move her money to a safe account as her account was at risk or compromised. Miss B replied 'no.'

They asked Miss B to confirm that she acknowledged the warning and was aware that once the funds left her account they might not be able to recover the loss. Miss B replied that she understood the warning.

The agent told Miss B she could go ahead with the payment if she wished. But it appears the payment was cancelled so Miss B attempted to make it again. Once again this prompted an intervention by Revolut through the online chat.

Miss B explained that she'd already been through all the questions and wanted the payment to go through so she could carry on with her afternoon. The agent asked her to confirm that the payment was for the same reason as the first payment she'd attempted and Miss B replied that it was. Revolut then allowed the payment to go through.

Shortly after this, Miss B made a second payment of £24,900 to the same account using the same beneficiary details. This payment went through without any further intervention from Revolut. Miss B then went on to make two further payments to an account with a different business.

The scammer told Miss B to expect another call from her bank, but when she didn't receive another call, she realised she'd been scammed. Later that afternoon, she contacted Revolut through their online chat to report the scam.

On receiving the report of the scam Revolut attempted to recover the payments of £100 and £24,900 from the receiving account, but unfortunately the funds had already been removed, and they were only able to recover £5.85. The two payments Miss B paid to a different business were recovered and have now been refunded to her.

Miss B complained to Revolut about what had happened and asked them to consider refunding the payments. She also said she would have appreciated a more personal approach to communication other than the chat function in the app, which she had found confusing on occasion. Revolut didn't agree to refund the payments, and Miss B brought her complaint to us.

Our investigator thought Revolut had done enough to intervene to warn Miss B about the scam, and she didn't think Revolut ought to have done any more to prevent Miss B's loss. She explained that Revolut had accepted that some of the communication in the online chat relating to the dates of previous conversations was confusing and they'd now offered £50 in compensation for this, which she thought was fair.

Miss B replied to the investigator to say she accepted the £50 Revolut had offered, but she'd like an Ombudsman to review her complaint about the scam refund and make a decision. She had some further points to add, which I've summarised below:

- She questioned why there was no further intervention for the payment of £24,900 because it was, in her opinion, unusual and suspicious – and due to the high value of this payment she thought a further intervention by Revolut would have had a different impact on her. She went on to say that if Revolut had delayed the payment, even by an hour, this may have led her to change her mind about making it.
- At the time of Revolut's intervention she was mentally overwhelmed and disorientated due to the manipulation by the scammer - and she was being coached by the scammer at the time of the intervention. The scammer persuaded her that her phone had been hacked which led her to disregard the messages from Revolut. She also said that she hadn't received any recent information about this sort of scam from Revolut as part of their general communications to customers, which would have alerted her to it being a scam before she was involved in it.
- Because the account the scammer asked her to make the payments to was also held with Revolut she thinks they could have done more to recover her money.

Miss B's complaint has now been passed to me for review and 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 learn about what happened to Miss B. There's no dispute that she's been the victim of a scam, and I can understand why she would think she should receive a refund of the money she lost. But I don't think that I can fairly say that Revolut should refund the money she lost. I'll explain why.

It's not in dispute that Miss B authorised the payments. And Revolut do have a duty to act on her instructions. But in some circumstances, Revolut, as a regulated electronic money institute (EMI), should take a closer look at the circumstances of the payments – for example, if they ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, Revolut should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment.

As I've set out, Revolut did intervene here when Miss B attempted to make the payment of £100. Revolut's intervention was thorough and detailed, and I think it would have been enough to identify the scam if Miss B had answered their questions accurately. But despite Revolut's specific warnings about the 'safe account' scam Miss B was experiencing, including instructions to end communication with the other party if she'd been told to transfer her money to a safe account, Miss B said that she wasn't experiencing this and chose to proceed with the payment.

I've thought carefully about what Miss B's said about Revolut potentially intervening again on the payment of £24,900. I've considered this argument but, regardless of whether they should have intervened again, I don't think this affected Miss B's loss. I say this because Revolut had already had a detailed conversation with Miss B where she'd repeatedly assured them that she'd not experienced anything they'd warned her about and wanted to go ahead with making the payment. Even if Revolut had intervened before Miss B made the payment for £24,900, I don't think repeating the warnings they'd already given her would have changed Miss B's mind about making the payment.

The other action Revolut could have taken here would have been to refuse to comply with Miss B's instructions to make the payments. But Miss B had responded repeatedly to confirm that the reason she was making the payments *wasn't* any of the reasons set out by Revolut that could have indicated a scam. So, I don't think I can reasonably conclude that Revolut should have refused to make the payments.

Miss B's mentioned that she thinks Revolut should have shared general information about this sort of scam with consumers. I can see Revolut have provided us with details of some general information they shared about this sort of scam in 2021. I don't think they ought to have done any more to provide general information, or even if they had, it would have made a difference to what happened here – given that Miss B was asked directly about the sort of scam she was experiencing during her online discussion with Revolut, but still went ahead with the payments.

There are industry standards around attempting recovery of funds where a scam is reported.

Revolut should have attempted to recover Miss B's payments immediately on being told of the scam. I can see that in this case the payments of £100 and £24,900 had already left the account at the time Miss B had finished reporting the scam and Revolut were able to begin recovery action. Once they had been informed they did act promptly and so were able to recover the payments that were made to the account with the other business. So, I don't think Revolut ought to have done any more here.

I do appreciate Miss B was going through a difficult time when the scam took place. I understand that the scam was very convincing and I've no doubt Miss B felt overwhelmed and confused. So, I know this outcome will be very disappointing. However, for the reasons I've explained, I don't think Revolut should have done more to prevent Miss B's loss. So, it wouldn't be reasonable for me to ask them to refund the payments Miss B made.

Revolut's terms and conditions are clear in that their main form of communication will be via the app, even in cases of fraud. So, I don't think they should have communicated with Miss B in a different way. I'm satisfied that Revolut's offer of £50 for the confusing date mentioned in the chat is fair and reasonable, taking into account the impact this had on Miss B. Revolut should now pay this to Miss B, if they haven't done so already.

### **My final decision**

Revolut Ltd have already made an offer to pay £50 to settle the complaint and I think this offer is fair in all the circumstances.

So, my final decision is that Revolut Ltd should pay £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 3 December 2023.

Helen Sutcliffe  
**Ombudsman**