

The complaint

Miss B complains that Revolut Ltd failed to protect her from a scam.

What happened

In December 2023, Miss B received an email telling her she'd missed a parcel delivery and she needed to pay a fee to re-arrange the delivery. Miss B used her debit card to make the payment.

The following day, Miss B received a phone call from someone claiming to be from her bank (which I will call Bank A). Miss B and her friend checked the phone number online and it matched. The caller told Miss B that someone had hacked into her mobile banking app, and when Miss B checked, she could see a list of transactions waiting approval. Because of this, she believed the caller when they said she needed to move her money into her Revolut account to keep it safe.

Miss B transferred money into her Revolut account, and says once this had been done, the scammer then made three separate card transactions totalling £3,160.49 from her Revolut account, telling her the money had already been spent on her account with Bank A and therefore couldn't be recovered from its "pending" status. They told her that as she had already moved this money to her Revolut account, she owed it to Bank A. Miss B was told she needed to "enable" the three payments, and then wait for a refund into her Revolut account which would come from insurance.

Miss B said she found the process confusing and, due to her panic, wasn't aware she was approving the card transactions. Nor does she recall approving all three transactions on Revolut's mobile app. Miss B contacted Revolut via their in-app chat immediately after she realised she had been scammed and cancelled her card. The issue was escalated to Revolut's fraud team, who contacted Miss B to ask for further information. Miss B submitted chargebacks to recover the money lost.

Revolut rejected the chargeback requests for all three transactions as they were all authorised by Miss B. They said that Miss B had given approval for the payments to be made, as she believed them to be legitimate at the time. As the payments were approved, Revolut weren't able to dispute them.

Miss B also contacted the companies the payments had been made to. One of them said they couldn't help, and Miss B didn't get a response from the other.

Miss B complains that the movement of such a large amount of money should have been flagged as suspicious by Revolut as she had only ever used the account once previously where she transferred £30 into it – but transferred it back shortly afterwards. She believes the disputed payments should have been declined, as they were pending when she first contacted Revolut. They were also for large amounts which were sudden, and abnormal in comparison to her usual spending pattern.

Miss B brought her complaint to our service. Our Investigator looked into everything and was of the opinion that Revolut had done enough and shouldn't have reasonably been expected to prevent the payments from being made. He also concluded that the chargebacks wouldn't have been successful as they don't cover money lost to a scam.

He explained that the payments had been made into Miss B's account online without any conversations between her and Revolut, and as the amounts weren't high enough in value to trigger Revolut's internal warning systems, the payment process didn't involve them asking why the payments were being made. He also added that the account was only opened in July 2023, meaning there was little history to indicate that the payments were out of context with the usual account operation.

Overall, our Investigator couldn't see that Revolut had missed an opportunity to identify that the payments were made in relation to a scam. He also added that the payments required authorisation before they could be released, and this authorisation was given by Miss B. While he could understand that Miss B would have been under pressure to make the payments, he couldn't see why it would seem reasonable to make the payments to the merchants, and not to an account in her own name. Given everything, our Investigator couldn't reasonably see what more Revolut could have done to uncover the scam.

Miss B didn't agree so the complaint has been passed to me for review.

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. I know this will come as a disappointment to Miss B as I know these payments were made as a result of fraud and in a time of panic, so I want to explain why I've reached the decision I have.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position in law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Part of Miss B's complaint is that the payments were still pending when she contacted Revolut meaning they should have stopped them from being made. However, while I understand why Miss B would think that, to explain, the main card networks don't allow for a delay between receipt of a payment and its acceptance. The card issuer has to choose straight away whether or not to accept or refuse a payment. So while the payments may have been showing as pending, it's most likely they had already been accepted by the time Miss B told Revolut and therefore couldn't have been stopped.

In relation to the authorisation of the payments, Revolut have explained that when a payment is made, a window will pop up on the merchant website, asking the customer to verify the payment. The customer will receive a push notification to their Revolut app and is then prompted to confirm the transaction in order to complete the payment. For the payment to be approved, the customer has to enter their passcode or use a biometric authentication, as it is not enough to just press "allow".

Revolut have shown that only Miss B's phone had access to her account at the time the payments were made, and that each payment was authorised by way of 3D Secure (3DS). Because of this, while I appreciate Miss B cannot recall doing so on all the payments as it was done at a time of panic and worry, I am satisfied that it was most likely that Miss B did provide authorisation for them to be made.

Miss B maintains that the transactions going into her account from Bank A weren't in line with her usual activity, as she had only ever used the account once before for an amount of £30. While Revolut don't dispute this, they said because there wasn't historical transaction behaviour for them to review, it meant they didn't know what was "normal activity" prior to the fraudulent transactions taking place.

I do appreciate that the only activity had been minimal, and so seeing multiple payments going into the account may have seemed different to what had happened on the account before. However, the individual payments weren't high enough in value to trigger Revolut's internal warning system, and therefore they didn't question what they were for.

I think it's important to highlight that there are many payments made by customers each day, and it's not reasonable to expect the bank to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions. Here, I don't think the payments were so unusual or suspicious whereby I would've reasonably expected Revolut to have taken additional steps, or carried out checks, before processing them.

Miss B also asked Revolut to process chargebacks for the payments but Revolut explained this wouldn't be possible. Again, it may help for me to explain how chargebacks work.

The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

However, a chargeback isn't guaranteed to result in a refund. There needs to be a right to a chargeback under the scheme rules, and under those rules the merchant can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams, and in this case it is also likely the merchants would have challenged the chargebacks as the goods and services were most likely provided (albeit I accept Miss B didn't receive them personally).

We would only expect a business to raise a chargeback if it were likely to be successful. Based on everything here, while the rules don't cover scams, even if chargebacks had been raised, it's most likely they wouldn't have succeeded.

I understand how difficult this is for Miss B, as I understand the money lost was her life savings and she's now had to borrow from others. But while I do appreciate the difficulties this has caused, and while I empathise with Miss B, my role is to look at whether or not Revolut should have done anything more when the payments were made. Given the amounts of the payments, and as they were authorised by Miss B, I can't say that they should have done more in recognising the payments were made as part of a scam.

Because of this, I'm not asking Revolut to refund the money lost. I know this will come as a huge disappointment for Miss B, but I hope she feels reassured that someone impartial has reviewed her complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 March 2025.

Danielle Padden
Ombudsman