

The complaint

Mr C complains that Revolut Ltd won't refund money he lost when he fell victim to a safe account scam.

What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

Briefly, Mr C fell victim to a safe account scam in November 2023. He received calls from an individual purporting to be from his other account provider, saying that the Financial Conduct Authority ("FCA") would shortly contact him.

He then received a call from the FCA, though it was actually a scammer. The callers advised Mr C that his accounts were at risk, and he needed to move his money to keep it safe. Mr C made two transactions totalling around £7,000 from his Revolut account to a third-party's account. After he transferred the funds he was told to wait 20 minutes and he would see his new account with his funds on a mobile banking app. This did not happen and at this point Mr C realised he had been scammed.

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.

It's not in question that Mr C was the victim of a scam here. And it's very unfortunate that he's lost a significant amount of the money. But Revolut doesn't automatically become liable to reimburse his loss. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. Here, it's not in dispute that Mr C authorised the transactions in question.

In broad terms, the starting position at 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 (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be good industry practice at the time, I consider it fair and reasonable that in November 2023 Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams,

- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer,
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments),
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

The first disputed transaction, for £5,900, flagged as suspicious on Revolut's fraud detection systems and was blocked. Revolut advised Mr C that the payment was flagged as a potential scam. It then asked him to answer a series of questions, including whether he was being guided on what to do or being told that the situation was urgent. Revolut has provided Mr C's response to that question, as well as subsequent questions. I can see he told Revolut that no one was assisting or guiding him.

The next question Mr C was asked was why he was making the payment. Mr C was required to select from a list of options. He selected 'something else'. The next few questions were specific to the option Mr C had selected, such as whether someone was guiding him through this process; whether he'd been told that his account was not safe and whether he had been told to ignore warnings.

Mr C's answers confirmed that nobody was guiding him, he had not been told that his account was unsafe, and he had not been told to ignore warnings.

Following this, Mr C was provided a scam warning which covered the typical features of the scam type Revolut had identified based on his answers. The warning was presented over a series of screens which Mr C couldn't skip.

I've thought very carefully about what happened here. Revolut recognised that the transaction carried a heightened risk of financial harm from fraud and took additional steps.

In the circumstances of this case, and given the transaction amount involved, I consider that the steps it took – establishing the nature of the transaction to provide a better automated warning – were proportionate to the risks involved. Unfortunately, Mr C didn't respond to Revolut's queries accurately, particularly when it directly asked him if he'd been told his account was unsafe.

Mr C has explained that when he was sending the payments the scammer had answers to reassure him when warnings or security questions were asked so this explains why Mr C did not answer Revolut's questions accurately.

Even if I thought Revolut should have directed Mr C to its in-app chat- although I don't think it needed to - given he was being guided by the scammer who was in constant contact, on balance, I'm not convinced that his responses to additional questions would have been forthcoming about the true purpose of the payment. In other words, Mr C seemed to be so convinced by the scammer, that I don't think any further warnings from Revolut would've stopped him making the payments that he did.

So overall given the answers the Mr C provided I don't consider Revolut acted unfairly in allowing the payments to be made.

I've also thought about recovery of the payments once Revolut became aware of the situation. I can see that it contacted the beneficiary bank as soon as Mr C reported the scam. Unfortunately, it seems that the beneficiary bank did not freeze the funds in place, but I can see a complaint was raised against this bank and, fortunately for Mr C half of the funds were returned to Mr C by the other bank. So overall I think that Revolut did enough to try and recover the funds.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has lost a significant amount of money. However, in the circumstances, I do not consider it would be fair and reasonable to hold Revolut liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 April 2025.

Charlie Newton
Ombudsman