

## The complaint

Ms C complains that Revolut Ltd hasn't protected her from losing money to a scam.

## What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Ms C has explained that in March 2023 she made three payments from her Revolut account as a result of a safe account scam. The payments were all instructed on 30 March 2023 as follows:

| Time    | Payee/Merchant  | Amount | Payment type  |
|---------|-----------------|--------|---------------|
| 8.50pm  | "Beneficiary A" | £8,000 | Bank transfer |
| 9.57pm  | "Beneficiary A" | £3,000 | Bank transfer |
| 10.10pm | "Merchant A"    | £285   | Debit card    |

When Ms C realised she'd been scammed, she reported this to Revolut. But aside from £43.01 being credited to her account, Revolut didn't reimburse Ms C's lost funds. Revolut and Ms C couldn't reach agreement about things, so Ms C referred her complaint about Revolut to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a decision.

I sent Ms C and Revolut my provisional decision earlier this month explaining why I wasn't minded to uphold this complaint. Now that both parties have had fair opportunity to respond, I've reviewed everything again, and I'm now ready to explain my final 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.

First let me clarify exactly what this decision is about. The first two disputed payments in this case were sent to one of Revolut's customers. Ms C has raised a separate complaint about Revolut about those two payments focused on its role as the receiving payment service provider ("PSP"). We've looked at this as a separate complaint, and at the same time as issuing this decision on Revolut's role as Ms C's sending PSP, I'm also concurrently issuing a decision on Revolut's role as the receiving PSP. This decision here concerns Revolut's role as Ms C's sending PSP alone.

Ms C has made some points in response to my provisional decision but these haven't changed my mind. I've decided not to uphold this complaint. I've explained my reasons again below, with some further comment, where I have deemed this appropriate, to address Ms C's response to my provisional decision.

I have no doubt Ms C has been the victim of a scam here. She has my heartfelt sympathy. Ultimately, however, Ms C has suffered her loss because of fraudsters, and this doesn't automatically entitle her to a refund from Revolut. In this case it would only be fair for me to

tell Revolut to reimburse Ms C her loss (or part of it) if I thought Revolut reasonably ought to have prevented the payments (or some of them) in the first place, or Revolut unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

### Prevention

I'm satisfied Ms C authorised the relevant payments. Revolut would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Ms C is presumed liable for the loss in the first instance, in circumstances where she authorised the payments. That said, as a matter of good industry practice Revolut should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect Revolut to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments (allowing customers ready access to their funds). Bearing this in mind, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms C when it processed the relevant payments.

Revolut has provided information from which I'm satisfied that it did intervene in this case with the first payment of £8,000. It initially blocked this payment. Ms C was sent a warning questioning whether she knew and trusted the payee, to remember fraudsters can impersonate others, and instructing her not to pay them if she was unsure.

I'm satisfied that before the payment was then allowed to go through, Ms C was then sent further warnings by Revolut, warning her of the amount UK fraud victims have lost, explaining that once funds are received by a fraudster they are very difficult to get back, and that fraudsters are professionals and:

*“will try to trick you into sending money by pretending to be someone you trust. They can make their calls, emails and advertisements seem legitimate”.*

This warning asked Ms C to state the purpose of her payment from a choice of, “Transfer to a ‘safe account’”, “Goods and services”, “Investment”, “Tax authority request”, “Police or law enforcement”, and “Something else”. From this list Ms C selected “Something else”, and was consequently sent a further warning which stated:

*“Beware, there is a high probability that this payment is a scam. Before sending your money, please be aware that: (1) Fraudsters can fake phone numbers to make it look like the genuine phone number of an organisation or authority. (2) Revolut will NEVER contact you over the phone without verifying ourselves first via the in-app chat. (3) Revolut and other banks will NEVER tell you to move your money to a new ‘safe’ account. (4) Revolut and other trustworthy organisations will NEVER tell you to ignore this warning. You risk losing money that we may not be able to recover”. The message also then signposted Ms C to “Read our scam guidance” and/or “Get advice from agent”.*

Now, I take on board what Ms C has said about these warnings. She feels Revolut's intervention ought to have gone further. She's said, for example, if Revolut had called her she would have been upfront on the call and the scam ought to have then been easily uncovered by Revolut (and her loss avoided).

I've thought about this carefully. However, Revolut has provided information indicating when Ms C initially opened her Revolut account, she stated the purpose of the account was: foreign exchange; purchase protection; vaults; overseas transfers; and transfers. I don't think Revolut ought reasonably to have viewed Ms C's payment instruction for £8,000 as inconsistent with that. That said, given the size of this payment instruction, I would expect Revolut to have given Ms C a general scam warning. Given the low level of payments Ms C made on the account previously between July 2022 (when she opened the account) and August 2022 (after which there weren't any transactions on the account at all until the day of the scam), perhaps Revolut ought reasonably to have done more than this and provided a tailored warning about scams. However, I can see this is essentially what Revolut tried to do – by asking Ms C for the purpose of her payment.

Ms C didn't say the payment was for the purposes of a safe account (which was one of the available options). But Revolut's warnings did, nonetheless, cover and warn Ms C about the very scam she was falling victim to – a safe account scam – and I don't think it did so in an unreasonable or confusing way. Such that, even though I appreciate what Ms C has said about how she found the scam so convincing, and the limited time and energy she had that day, I would still reasonably expect this warning to have concerned Ms C; and even if she hadn't realised immediately that she was most likely being scammed, to have at least used the signposted guidance available. So, I don't think I can fairly say Revolut didn't do enough here, or that it would be reasonable for me to hold it responsible for Ms C's loss.

I take on board what Ms C has said about her having dyslexia and that she's said this *"affects [her] ability to efficiently read written material and process and retain verbal information. This is due to weak phonological and word decoding, which are symptoms of dyslexia therefore [she has] difficulty processing and retaining information if [she does] not have the time to be able to review the information or re-read the information more than once"*. She's said, therefore, she struggled to grasp the information in the fraud warnings Revolut sent her, and that Revolut didn't have any accessibility options available such as text-to-speech, which would have been helpful given her disability. In response to my provisional decision, Ms C added that the warnings were in the form of a two-minute video with moving wording rather than a stand-alone statement and that she couldn't pause and hold it. She's said that this doesn't help customers with reading disabilities and that had the warnings not gone away so quickly it would have helped her calm down before deciding what to do. Ms C also said that my provisional decision appeared to be based on the assumption that it wouldn't have mattered if Revolut had done something different to accommodate her as she would have still got scammed as the average person would have too.

I've really carefully considered everything she's said about her dyslexia and Revolut's warnings including what Ms C has said in response to my provisional decision. We do see many cases where, unfortunately, consumers go ahead with their payments even after being warned by their PSP they are at risk of losing money to a scam. Safe account scams here typically make the victims feel pressured to act quickly. Ms C has said she did feel pressured, and she was tired on the day, and I don't doubt this. And I remain of the view that this, rather than the format of Revolut's warnings, was most likely the material reason Revolut's warnings weren't able to prevent the scam here, rather than what Ms C has said about her personal circumstances. I accept that Ms C would have been shown several paragraphs of text and that it appears some of the earlier warnings may have moved from one paragraph to the next, and, if so, this wouldn't have been particularly helpful for her. But I'm satisfied that the screen that warned her that there was a high probability the payment she wanted to make was a scam (which I've detailed above) was a static warning that Ms C would have had time to read and consider. This means I remain of the view that even if Revolut had presented the warnings differently – despite the fact that it had no reason to believe this was something Ms C needed – it still wouldn't have made a difference as the

scam worked as it was designed to. In other words, it put Ms C under pressure to make a payment she might not otherwise have made.

I've thought about the second and third scam payments as well. But the second payment was to the same beneficiary as the first payment, and for a much smaller amount of £3,000. So even if I thought Revolut ought to have intervened again when Ms C instructed this second payment, I don't think I could fairly say it ought to have done more than what it did with regards to the first payment, which unfortunately ultimately didn't prevent that payment. I've not seen anything to persuade me, therefore, this would have prevented the second payment either. And with regards to the third payment, which was made by card, this was made to a merchant for £285 and I've not seen anything that leads me to believe this ought to have appeared sufficiently suspicious to Revolut such that it should have intervened.

### Recovery

Revolut has rightly acknowledged that when Ms C reported to it that she'd been scammed, her customer experience wasn't good. Revolut should have acted sooner to try to recover Ms C's payments. But I'm satisfied Revolut's offer to pay £100 for this is fair and reasonable. In her response to my provisional decision, Ms C has said Revolut hasn't offered this. But I can see that when Revolut sent its file to us that it did. Ms C is also unhappy because she says Revolut hasn't compensated her for the mental and physical stress caused by her having to stay up until 4am to go to the police station to get a statement which ultimately didn't help her case, and she had to take the next day off work to deal with things and she lost pay. But I can well understand this would have been stressful. But I think the scammers were the cause of this. I don't think going to the police station was an unreasonable suggestion. And bearing everything in mind, particularly the fact the scammers were the root cause of things, I remain satisfied Revolut's offer of £100 in this regard isn't unreasonable. So if Revolut hasn't already paid this, it should now do so. I say this because, with regards to the two payments to "Beneficiary A", I've seen information from which I'm satisfied that those funds were spent from the recipient account within a matter of minutes of being received (apart from £43.01). And no matter how quickly Revolut had acted when Ms C notified it of the fraud, it wouldn't reasonably have been able to recover more than the £43.01 it has already refunded to Ms C in this regard.

And with regards to the debit card payment, the only potential avenue for recovery of this payment would have been via the chargeback scheme (irrespective of whether the payment was still showing as pending or not). However, in this case Ms C made the payment to agoda.com. This means the merchant here, for chargeback purposes, would be agoda.com. And even though Ms C was clearly tricked by the scammers into doing so, it seems unlikely she would have been able to show, for chargeback purposes, that this merchant didn't provide the services or goods they were instructed to (albeit most likely not to Ms C). So, taking this into account, I think it's unlikely a chargeback would have succeeded. So I'm not persuaded Revolut unreasonably hindered recovery of Ms C's funds.

I'm sorry Ms C has been scammed and has lost money. However, I can't reasonably tell Revolut to reimburse her where I'm satisfied it didn't unreasonably fail to prevent the payments or recover more than the £43.01.

### **My final decision**

For the reasons explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 19 April 2024.

Neil Bridge  
**Ombudsman**