

The complaint

Mr M is unhappy that Revolut Ltd won't refund money he lost because of a scam.

What happened

Mr M recalled that in June 2023, he was contacted by someone who claimed to be from his bank, Virgin Money. Broadly, they told him that someone had tried to use his account and to keep it safe, he'd need to transfer his money to his Revolut account. He recalled they said Virgin Money, Revolut and the Police was working in collaboration to protect his account.

That day, Apple Pay was set up using Mr M's Revolut card details and the following transactions were made:

Date	Description	Amount	State	Balance
25 May 2023	Payment from Mr M's NatWest account	+£10,300.00	Successful	£10,300.02
25 May 2023	Payment from Mr M's NatWest account	+£10,386.97	Successful	£20,686.99
25 May 2023	Apple Pay card payment at Apple Store	-£2,500.00	Declined	£18,186.99
25 May 2023	Apple Pay card payment at Apple Store	-£5,498.00	Successful	£12,688.99
26 May 2023	Apple Pay card payment at Apple Store	-£2,000.00	Successful	£10,688.99
26 May 2023	Apple Pay card payment at Apple Store	-£6,249.00	Successful	£4,439.99
26 May 2023	Apple Pay card payment at Morrisons	-£750.00	Successful	£3,689.99
26 May 2023	Apple Pay card payment at Morrisons	-£747.00	Successful	£2,942.99
26 May 2023	Apple Pay card payment at Morrisons	-£750.00	Successful	£2,192.99
26 May 2023	Apple Pay card payment at Morrisons	-£750.00	Successful	£1,442.99
26 May 2023	Apple Pay card payment at Popeyes Louisiana	-£26.24	Successful	£1,416.75
26 May 2023	Apple Pay card payment at Morrisons	-£750.00	Successful	£666.75
26 May 2023	Apple Pay card payment at Morrisons	-£750.00	Successful	£-83.25

Revolut intervened with the payments on two occasions:

- 1) The first Apple Pay payment for £2,000 was declined and Mr M's card was frozen. After confirming the transaction, he unblocked the card.

- 2) Revolut restricted the account again after the final transaction on 25 May 2023 and spoke to him through its in-app chat. They asked him for a selfie; to confirm what devices he uses; and whether he has shared any account details through a text/call/email or with family and friends. Mr M confirmed the devices – he said he'd Apple Pay on his old phone and the other is his main phone. And that he'd not shared any information. Throughout the evening, Mr M checked whether the account had been unrestricted again – it was later that night.

The following day, Mr M contacted Revolut to say he'd been a victim of a scam. He said he didn't authorise the payments and the payments were made without him knowing. He also said he was logged out of the app.

Revolut didn't refund him for his losses – it thought the payments were authorised, and a chargeback claim wouldn't be successful.

Unhappy, Mr M brought his complaint to our service to investigate. Throughout the course of the investigation, Mr M accepted that the payments were authorised. But he explained he thought he was helping with a Police investigation, and he'd get the money back.

I issued my provisional findings explaining why I wasn't minded to uphold the complaint. In summary, I thought it unlikely that an appropriate and proportionate intervention would've led to the unravelling of the scam.

Revolut didn't add anything further. Mr M's representatives replied, disagreeing with my findings. In summary, they said:

- Revolut should've questioned Mr M with coaching in mind, given the prevalence of victims being given cover stories, especially in safe account scams. And it should've asked open ended questions, and not accepted his answers at face value.
- Mr M's circumstances met all the hallmarks of a safe account scam – money was moved in and out and a new device was registered for Apple Pay. Yet, Revolut focused on whether Mr M made the payments and failed to use its knowledge of safe account scams.
- Revolut have a duty to protect consumers, and if it wasn't satisfied with Mr M's answers, it can refuse to make the payments.
- It thinks with appropriate questioning, the scam would've been exposed as no cover story or lie could've justified the payment pattern.
- Had Revolut intervened in line with expectations, it could've additionally found out that Mr M had received a spoofed call from 'Virgin', in addition to a spoofed message from 'Revolut'. As well as how he'd received a phishing text from 'Royal Mail' and was told he was aiding a Police investigation.

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 considered the response to my provisional findings carefully, I've not changed my mind about the outcome to Mr M's complaint. I'll respond to what I think are the material points:

- When these payments happened, I'm not persuaded it would have been clear to Revolut Mr M was falling victim to a safe account scam, which typically involves getting someone to move money to a bank account in a fraudster's control. Indeed, I don't think these circumstances – where Mr M ultimately believed he was aiding a Police investigation and the money was insured – would typically be described as such.
- Instead, I think the circumstances of these payments appeared to be more typical of an unauthorised scam. Our service has seen many examples of scams involving a fraudster tricking someone into sharing information to add Apple Pay to their own device and subsequently making payments in quick succession without the victim's knowledge. Indeed, this is how Mr M presented the matter to Revolut when he reported it – saying they weren't authorised and he didn't know about them.
- It follows that, in these particular circumstances, I think Revolut's line of questioning – to check Mr M made a payment and was in control of his devices and account – was likely a proportionate response to the fraud risk identified.
- But even if I was wrong about that, and I considered Revolut ought to have probed further to understand what the payments were for, I find it unlikely Mr M would've revealed what was happening.
- Of course, I can't say for certain what would've happened, but civil disputes like these are only ever decided on the balance of possibilities – in other words, what's more likely than not to have happened. And the evidence I have of Revolut's and Mr M's conversations shows he repeatedly mislead Revolut about what was happening. So I think it's more likely than not he'd have continued in this vein, even in Revolut questioned him further.
- In saying that, I've noted Mr M's representatives points that Revolut ought to have had coaching in mind when it questioned him. But I'm satisfied my provisional findings addressed this point. That, given the evidence shows Mr M's repeated willingness to mislead Revolut, I'm not persuaded this warning would've changed things either.
- Finally, I note Mr M's representatives have continued their submissions that Revolut couldn't have satisfied itself the payments were genuine, because he couldn't have reasonably explained his purpose for making the payments. But of course, Mr M could've said he wanted to make these purchases. And given that I don't think Revolut's reasonable probing would've unveiled fraud, I don't think it's fair to have expected Revolut to refuse to make them, based only on the pattern of payments looking suspicious. In the circumstances of this case, I don't think that would represent a fair compromise between Revolut's obligation to make the payments Mr M asks it to and how it ought to fairly and reasonably protect Mr M from fraud.

It follows that I've not upheld Mr M's complaint. For completeness, I've included the reasoning from my provisional findings below:

- In broad terms, the starting position is that Revolut is expected to process payments that Mr M authorises it to make, in accordance with the Payment Services Regulations 2017. It's now accepted he authorised the payments. That's means he's presumed liable for the losses in the first instance.

- However, there are circumstances when it might be appropriate for Revolut to take additional steps before processing a payment. Such as when there are grounds to suspect the payment presents a fraud risk. That might occur when a payment is significantly unusual or uncharacteristic compared to the normal use of the account.
- Indeed Revolut did intervene twice during the disputed transactions. But I don't think I need to conclusively decide whether Revolut intervened at the right time or whether its interventions were appropriate and proportionate in this case.
- That's because, even if Revolut didn't intervene as I'd reasonably expect, it doesn't simply mean it's responsible for Mr M's losses. Instead, I must also be persuaded that an appropriate and proportionate intervention would've led to the unravelling of the scam and that Mr M wouldn't have gone ahead with the payments.
- Based on what I've seen, I'm not persuaded an appropriate intervention would've changed Mr M's losses. In saying that, I've considered:
 - When Revolut asked him, Mr M confirmed the device with Apple Pay belonged to him and that he'd not shared any account details via call/text/email. Whereas the device in fact belonged to the fraudster. And Mr M had shared his card details over a call, as well as other security information.
 - Mr M explained he was being coached by the fraudsters on what to say. It doesn't seem he questioned them about the need to do this – for example why someone supposedly from Revolut would tell him to mislead Revolut. Instead, Mr M trusted the caller, persuading me that he was very much under the caller's 'spell'.
 - In saying that, I'm mindful that Mr M had time to reflect on what happened on the evening of 25 May. But he didn't take any action to check this was genuine and the payments continued again on the next day until all the money he'd transferred had been spent.
 - Mr M's representatives submit he would've been receptive to a warning about safe account scams. I think the spending looked more typical of an unauthorised scam. But in any event, I've seen that Virgin Money showed him a warning about safe account scams when he moved his money to Revolut, which he acknowledged before making the payments. So I don't think a general warning from Revolut would've been particularly impactful either.
 - I've also considered Mr M's representatives' point that he should've been asked whether he'd been told to lie, given the prevalence of cover stories in scams. But none of the other red flags changed Mr M's mind about the call being genuine, so I'm not convinced this question would've broken the spell either – instead I think it's more likely he'd have continued to mislead Revolut under the caller's instructions.
 - I've finally thought about whether, given the pattern of payments that emerged, Revolut could've ever been reassured by Mr M's answers. But based on what happened, I suspect Mr M would've been insistent about making the payments – indeed, he chased Revolut several times to remove the restrictions on his account. And I'm mindful that Revolut has a duty to make the payments he tells it to promptly. So I don't think it's fair to say it

should've stopped making the payments when I think it's likely Mr M would've repeatedly confirmed they were genuine.

- Taking this all into account, I don't think Revolut would've reasonably been able to stop Mr M falling to this scam.
- I've also considered whether it could've recovered the payments when Mr M reported the scam. But given how these payments were authenticated, I don't think there were viable means of Revolut recovering these losses.
- I know this news will be disappointing. But having considered the matter very carefully, I don't think Revolut can be fairly blamed for failing to stop or recover Mr M's losses. So I'm not minded to uphold this complaint.

My final decision

For the reasons I've explained, I do not uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 August 2024.

Emma Szkolar
Ombudsman