

## **The complaint**

Miss R complains that Revolut Ltd won't refund money she lost when she 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, Miss R fell victim to a safe account scam in April 2024. She received a call from someone purporting to be from Revolut. They told Miss R that someone had attempted to make a payment from her account. As her account was at risk, the caller told Miss R that she needed to move her money to keep it safe.

Under the caller's instructions, Miss R transferred money from her account with another business before approving a card transaction of £4,000 – majority of the funds in her Revolut account. She thought that the transaction was to keep her money safe. After the call had finished, Miss R became suspicious and realised that she 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 Miss R was the victim of a cruel scam. And it's very unfortunate that she's lost a significant amount of the money. But Revolut doesn't automatically become liable to reimburse her 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 Miss R authorised the transaction 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 April 2024 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 multi-stage 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.

I don't think there was anything particularly unusual about the transaction such that I think it ought to have flagged as suspicious on Revolut's systems. As the investigator mentioned, the account activity shows that in the year leading up to the disputed transaction, Miss R had made a transaction for a similar amount. So, the amount alone wouldn't reasonably have given Revolut cause for concern.

Also, the merchant being paid doesn't have any regulator warnings published about it. Having researched the merchant on the internet, it appears to be a legitimate business. So, I wouldn't have expected the transaction to have flagged based on the merchant details either.

What this means is that I don't consider Revolut acted unreasonably in executing Miss R's authorised instruction to make the payment.

I've also thought about recovery of the payment once Revolut became aware of the situation. Revolut told Miss R it couldn't dispute the transaction because she had approved the transaction by completing additional verification in-app. But Miss R didn't report the transaction as unauthorised. She told Revolut that she had been tricked into making it. So, I don't think Revolut's explanation to Miss R for why it couldn't raise a chargeback was right.

I've reviewed the Chargeback dispute reasons and 'scam' isn't one of the options to raise a dispute. As the investigator explained, the reason most appropriate to Miss R's situation would be in relation to goods or services not being received. I recognise that Miss R didn't receive any goods or services in return for the payment, but its most likely the scammer did given it went to a legitimate merchant. And so, had a chargeback been raised, the merchant would have been able to successfully defend it by demonstrating that goods or services paid for were provided (even if this wasn't to Miss R).

Under the circumstances, recovery is unlikely to have been successful.

In conclusion, I know that Miss R will be disappointed with this outcome. Despite my natural sympathy for the situation in which she finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept

or reject my decision before 17 September 2024.

Gagandeep Singh  
**Ombudsman**