

The complaint

Miss H is complaining that Revolut Ltd won't refund payments she made to a scam.

What happened

The circumstances of the scam are well known to both parties, so I won't repeat them in detail here.

In summary, Miss H fell victim to a job scam. She made the following payments from her Revolut account to the scam:

Date & Time	Payee	Payment type	Amount (shown in GBP)
6 March 2024 – 11.25am	Payee 1	"Push to card" payment – within UK	£181.33
6 March 2024 – 6.00pm	Payee 2	International transfer	£199.96 + £0.75 fee
6 March 2024 – 6.01pm	Payee 2	International transfer	£199.94 + £0.75 fee
6 March 2024 – 6.02pm	Payee 2	International transfer	£130 + £0.75 fee

Revolut said they displayed their standard "new payee" warning when Miss H made the payments to the new payees, but they didn't show any other warning specific to scams.

Miss H reported the scam to Revolut shortly after making the final payment – at 6.30pm on 6 March 2024. Revolut attempted to recover the payments she'd made to Payee 2, but they were unsuccessful in doing so.

Miss H complained to Revolut and they issued their final response on 13 March 2024, explaining that they wouldn't be refunding the payments.

Miss H brought her complaint to us, and it was looked at by one of our investigators. The investigator didn't think the payments would have looked suspicious to Revolut, so she didn't think they should have intervened to warn Miss H about making them. And she didn't think Revolut could have done any more to recover Miss H's payments once the scam had been reported.

Miss H disagreed, and asked for her complaint to be reviewed by an ombudsman. So it's now been passed to me for review and a 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.

I'm sorry to learn about what happened to Miss H. It does appear she's been the victim of a cruel scam, and so I can understand why she would think her money should be refunded. But I don't think that I can fairly say that Revolut should refund the money she lost. I'll explain why.

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 them 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 have been good industry practice at the time, I consider it fair and reasonable in March 2024 that 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 their 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 them 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 do); and
- 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.

Miss H had held her account with Revolut for just under two years before she made the payments to the scam, and she used it for infrequent, low-value transactions. So, I accept the payments she made to scam were higher in value than the payments she usually made from the account. But - although I appreciate that the payments may have represented a lot of money to Miss H - they were simply not of a value where I'd usually expect Revolut to be concerned that Miss H was at a heightened risk of financial harm. The last three payments were made in quick succession, but overall the scam payments didn't escalate rapidly in value or frequency in a pattern that could typically indicate a scam was taking place.

I've kept in mind that EMI's such as Revolut process high volumes of transactions each day. There is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate. And taking all the circumstances into account here, I don't think it was unreasonable for Revolut not to view the payments as suspicious, such that they should have carried out any additional checks or given an additional warning before processing the payments. So, I've not found that Revolut ought to have done any more to prevent the scam payments Miss H made.

There are industry standards around attempting recovery of funds where a scam is reported. Generally, businesses should attempt to recover payments immediately on being told of a scam.

The first payment Miss H made to the scam was by what is referred to as a “push to card” payment, which involves sending a payment to a bank card rather than a bank account. I can’t see that Revolut attempted to recover this payment, and as the investigator’s explained, they say they’re unable to recover this sort of payment. But in any case, I’ve now seen evidence the funds were removed from the beneficiary account before Miss H reported the scam. So, recovery wouldn’t have been possible here.

Revolut did attempt to recover the three payments made to Payee 2, around three hours after Miss H reported the scam. While they could have attempted recovery more quickly, that wouldn’t have made a difference here – as we’ve seen evidence from the point of payment that the funds were moved straight on. So, I don’t think Revolut could have done any more to successfully recover these payments.

I know this outcome will be disappointing for Miss H and I’m sorry for that. But for the reasons I’ve explained, I don’t think Revolut should have done more to prevent her loss. So, it wouldn’t be reasonable for me to ask them to refund the payments she made.

My final decision

My final decision is that I’m not upholding Miss H’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss H to accept or reject my decision before 19 October 2024.

Helen Sutcliffe
Ombudsman