

The complaint

Mrs N has complained that Revolut Ltd (“Revolut”) failed to protect her from falling victim to a safe account scam and hasn’t refunded the money she lost in the scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mrs N has explained that in December 2023 she was persuaded by a scammer posing as a bank official to make several payments, one of £10,000 from an external account and three from her Revolut account totalling £7,000.

Mrs N says she initially attempted to make a single payment of £7,000 from her Revolut account to the scammer, but the payment was blocked by Revolut’s fraud detection systems. After Mrs N had spoken to Revolut about the payment using its in-app chat facility, the payment was cancelled due to the amount of time that had passed. But Mrs N has also explained that despite the payment for £7,000 being cancelled, three payments were made to a different payee – two for £3,000 each and one for £1,000 – using a debit card linked to her Revolut account.

Mrs N says she discovered she’d been scammed when her daughter questioned how much time she’d spent on the phone speaking to the individual at what she thought was her bank. She ended the call and phoned the bank, at which point she was told the call she received was fraudulent.

As soon as Mrs N realised she’d been scammed she contacted Revolut to request that the payments, which were still showing as pending, be stopped. But she says Revolut told her it was unable to cancel pending debit card payments, and the payments left her account the following day.

Mrs N made a complaint to Revolut on the basis that it initially blocked the payment of £7,000 as it thought it may’ve been scam-related, but in the meantime it allowed the three debit card payments totalling £7,000 to be made. She also complained that Revolut hadn’t asked her for any form of identification, such as her passport, when she opened the account.

Revolut didn’t uphold Mrs N’s complaint. In its response it said it initially blocked a transfer of £7,000 and spoke to Mrs N and following that chat the payment was cancelled. But it said the scam transactions that debited the account were made as three payments of £3,000, £3,000 and £1,000 using the account’s debit card, and were authorised by Mrs N using the card network’s 3D Secure system. Revolut also said it wasn’t able to refund the payments under the chargeback scheme as the chargeback rules don’t cover authorised payments made as part of scams, like in Mrs N’s case.

Mrs N remained unhappy so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He thought that because the payments were made to an operational company and Mrs N authorised them. He also said that even if Revolut had intervened, he didn't think Mrs N would've been honest in answering Revolut's questions, so the scam probably wouldn't have been uncovered.

As Mrs N didn't accept the investigator's opinion, the case has been passed to me to make 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 disappoint Mrs N but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mrs N authorised these payments from leaving her account. It's accepted by all parties that Mrs N gave the instructions to Revolut and Revolut made the payments in line with those instructions, and in line with the terms and conditions of Mrs N's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

What did Revolut do to intervene and how did Mrs N respond?

Revolut initially restricted Mrs N's account shortly after it was opened as it had security concerns that a login attempt from an internet browser may've compromised the account's security.

Revolut firstly gave Mrs N a scenario that closely resembled to the situation she found herself in, which said "Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety. Is anyone telling you what to say on this chat?" Mrs N responded "No" to this question. Revolut then asked why Mrs N opened her Revolut account, and she responded "So can have access to a pre-aid account & have more flexibility to my money". The restrictions were then removed.

I've been provided with evidence from Revolut that when Mrs N attempted to make the £7,000 bank transfer on 16 December 2023 Revolut firstly asked her some questions related to the payment. Mrs N told Revolut she was making the payment to "Pay a family member or friend" and she expanded on this that she was "Paying back for something they purchased on my behalf". She also confirmed she hadn't been asked for help unexpectedly, and that she was paying the person using the same details she'd used previously. Finally, she told Revolut she'd been given the bank details "face to face".

Revolut didn't release the payment after these questions but prompted Mrs N to speak to one of its agents through its chat facility before doing so.

During the chat Revolut firstly set out the same scenario as it had done previously, letting her know that scammers may impersonate bank staff or police. It also said “It seems like this isn't a case where someone is instructing you what to do, which can be a red flag for scams. Could you confirm that you aren't being guided to make this transaction in any way?” and Mrs N responded “Yes I confirm”.

Revolut then told Mrs N the best way to avoid scams is to speak to the family member or friend in person or by phone before making the payment. It also asked her to confirm she hadn't noticed any unusual urgency around making the payment. Mrs N responded “Yes I confirm & have spoken to person already”.

Next Revolut asked Mrs N to provide an invoice for the purchase she was repaying. She told Revolut she wasn't able to as she was paying a friend rather than a business. Revolut followed up by asking her to provide screenshots of any text messages she'd received before being asked to send the money, and she said she wasn't able to as the friend had given her their details in person.

Following this, Revolut probed Mrs N further on the circumstances of the payment. It said: “I can see that you've mentioned there was no invoice as it was transfer to your friend and we're sorry if our message wasn't clear enough, let me rephrase. Could you please share an invoice or an email confirmation of the car purchase that your friend did on your behalf? Could you please elaborate a bit more on how long have you know this person and were you asked to install Revolut to make this transfer by this person?”

Mrs N responded by saying she'd known the person for three years and she told it she wasn't able to provide an email confirmation or an invoice as she was purchasing a second-hand car, and paying cash.

Finally, Revolut reminded Mrs N that failing to provide accurate information is a breach of its terms and conditions, and Mrs N confirmed she understood this. After a final identity check Revolut told Mrs N it would keep her updated with regard to the payment request.

Although Mrs N completed the steps required by Revolut to release the £7,000 payment, by the time this had taken place the payment request had expired and it was automatically cancelled by Revolut's system.

Turning to the three debit card payments, these were made the day after the £7,000 payment was cancelled. They were made from three virtual cards associated with Mrs N's account. Virtual cards work in the same way and contain the same information as physical cards, but they are generated in Revolut's app and are not linked to a physical, plastic debit card.

Revolut has provided evidence that each time a payment was presented for payment using one of the virtual debit cards, Mrs N was asked to approve it in the Revolut app. The app showed a pop-up message displaying the name of the merchant, the amount of the payment, and the card being used. Mrs N would've been required to “Confirm” or “Reject” the payment before it left her account. On all three occasions Mrs N approved the payments.

Were Revolut's interventions proportionate?

Although the bank transfer of £7,000 was ultimately cancelled, it's relevant for me to consider the way Revolut intervened here as this forms part of my decision in relation to all payments related to this scam.

I'm satisfied that Revolut's intervention for this payment was proportionate. Keeping in mind the fact that Mrs N's Revolut account was newly opened, the value of the payment, and the date on which the scam took place, as a minimum I'd have expected Revolut to display a written warning, broadly covering the risks associated with scams. As Mrs N told Revolut she was making the payment to a family member or friend for something they'd purchased on her behalf, and none of her answers ought to have raised Revolut's suspicion, I wouldn't have expected this to trigger a more robust intervention than this.

But Revolut held a robust in-person conversation with Mrs N in which it probed the reason for the payment and the answers Mrs N gave it, as well as providing scam warnings throughout. Mrs N repeatedly gave Revolut inaccurate information, which Revolut was entitled to rely on.

So I'm satisfied that Revolut's intervention for payment one was proportionate to the level of risk presented.

Although Revolut didn't specifically ask Mrs N for the purpose of the debit card payments, or give her any fraud- or scam-related warnings when they were made, I'm satisfied in this instance that this didn't affect the outcome for Mrs N.

Firstly, I note that the payments were made to a different payee name to the cancelled £7,000 payment. Additionally the payments were made the next day, as opposed to on the same day, and were paid to what appears to be a café rather than an individual. So I don't consider Revolut had sufficient grounds to block or delay the card payments based on them being linked to the transaction the previous day.

It's also relevant to note that although Mrs N says she doesn't know the merchant that the card payments were made to, she was given an opportunity to confirm she wanted to make them on the 3D Secure approval screen where the name of the merchant was clearly displayed. Keeping in mind Mrs N thought she was attempting to keep her money safe from identity theft by moving it to another account in her own name, it's reasonable to say she should've questioned what was happening when she saw the payee's name was a café as opposed to a bank or an account in her own name.

I've also kept in mind that when Revolut initially intervened to ask Mrs N about the cancelled £7,000 payment, she wasn't truthful with the answers she gave. Whilst I fully accept this is likely because she was being coached by the scammer on how to answer Revolut's questions without raising suspicion, I think it's likely the same would've happened if Revolut had intervened further before the debit card payments were made. Mrs N was clearly "under the spell" of the scammer and being pressured to make decisions quickly, for fear of losing her money or being put at risk of identity theft. So whilst I don't intend to blame Mrs N for what happened here, I also don't hold Revolut responsible for the resulting loss.

I do accept that Mrs N was the victim in this scenario, and she was coached by the scammer on how to answer Revolut's questions to ensure the payments were made. But my role is to consider whether Revolut did what it needed to do, based on the circumstances of the payments and the information it had about them. And in this instance I'm satisfied that Revolut's interventions were proportionate, and even if it had done more, it's unlikely that more robust interventions would've been successful owing to the way Mrs N had been coached to answer Revolut's questions.

I've noted Mrs N's comments that she was vulnerable at the time of the scam as she'd recently retired and she was living alone. I understand how this is more difficult because of the fact that the money she lost formed part of her pension. But in order for me to think Revolut ought to have done something differently, or provided different support, I'd firstly

need to be satisfied that Revolut knew Mrs N was vulnerable. And I don't think that's the case here. Mrs N also says Revolut would've uncovered this if it had spoken to her by phone as opposed to using its in-app chat.

I can't be certain whether a phone call would've changed the way things happened in this case, because as I've explained above, Mrs N was clearly determined to make the payments and had been convinced by the scammer to use a cover story in any interactions with Revolut. So I don't see why this would've been different during a conversation by phone rather than in a chat, and in any case, it's up to Revolut to decide how it interacts with its customers. I'm afraid it's not my place to prescribe that this should have been by phone.

Finally, I understand Mrs N is concerned that she was able to open her Revolut account without providing physical identification, such as a passport. Revolut has explained that it uses an electronic Know Your Customer (e-KYC) process to verify new customers' identities. This means that instead of requiring physical documents, Revolut carries out electronic checks using information from official databases and other sources.

Whilst Mrs N may find this surprising, e-KYC is a widely accepted method of identity verification in the financial industry, and its use does not, in itself, indicate that Revolut has done something wrong. So I don't consider Revolut has acted inappropriately here, and it doesn't mean that the opening of the account was fraudulent or unauthorised.

Recovery of the funds

As the payments were made using Mrs N's debit cards, the chargeback process is relevant.

Revolut raised a chargeback on the grounds of fraud, but the chargeback was unsuccessful as Mrs N had authorised the payments, albeit that she later found out they were related to a scam. Whilst I understand it'll be disappointing for Mrs N to hear, I'm satisfied that Revolut acted fairly here. Chargebacks don't cover authorised payment scams, and for that reason, they're not a mechanism for a consumer to recover the funds they've lost as part of a scam.

I'm very sorry that Mrs N has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Revolut responsible for that.

My final decision

I don't uphold Mrs N's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 10 April 2025.

Sam Wade
Ombudsman