

## **The complaint**

Mrs B complains that Revolut Ltd won't reimburse her after she fell victim to a safe account scam.

## **What happened**

Mrs B has explained that on 9 January 2024, she received a call from a 'no caller ID' number. The caller claimed to work for the company with which she holds a credit card, and told her there was suspected fraud on her account. Mrs B has explained the caller knew her name, the approximate area for where she lived and that she held a Revolut account.

The caller told her payment attempts had been made on her account and that her phone and mobile apps had been cloned. She was advised she would receive a call from her current account provider to secure her accounts. Shortly after, Mrs B received a further call from another individual claiming to work for Revolut. Unfortunately, unbeknownst to Mrs B at the time, both of these calls were made by fraudsters.

The fraudster told her that further suspicious payments had been identified and stopped, but that she needed to act quickly to protect her funds. Mrs B was told that she needed to move funds from all of her current accounts into her Revolut account and from there, move funds on to a safe account. She was told that her Revolut account was the only one without facial recognition activated, making it the safest option.

Mrs B moved funds from several other accounts to her Revolut account. From here Mrs B was guided on moving her money on to what she was led to believe was a 'safe account'. During the transfer process, Revolut provided warnings and additional questions on the payment purpose, but Mrs B has explained she was guided on how to answer all questions, and felt rushed on the belief her money was unsafe. Funds were sent to a personal account held in another individual's name, which Mrs B was told had been auto-generated.

Mrs B explained she did at one point become concerned about the process she was following and asked if she could move funds to her husband's account instead. However, she was told that as her phone had been cloned this would leave his account unsafe as well. The fraudster reassured Mrs B that they were legitimate by sending a text message with a security code that appeared to come from Revolut. After this, Mrs B was confident the call was legitimate.

Mrs B made two payment transfers of £3,000 each to the fraudster. Later that evening, Mrs B spoke to her husband about what had occurred. When he raised concerns that the call wasn't legitimate, Mrs B realised she may have fallen victim to a scam and contacted Revolut to raise a claim. Mrs B has explained she had recently suffered a close family bereavement and was also pregnant, so was vulnerable when the scam occurred.

Revolut considered Mrs B's claim but didn't uphold it. It considered the intervention steps it took - by asking additional, tailored questions about the first payment she made - were appropriate in the circumstances. But as Mrs B was coached on how to answer these questions, it was misled into believing that the payment didn't pose a risk.

Mrs B remained unhappy and so referred the complaint to our service. She said her account had been unused for several years, and on this basis she thinks Revolut ought to have done more to ensure she wasn't falling victim to a scam. She also didn't feel her vulnerabilities at the time had been taken into consideration.

An investigator considered Mrs B's complaint but didn't uphold it. He considered that the warning messages and questions posed by Revolut were proportionate to the risk identified and that based on the answers Mrs B provided, he wouldn't have expected Revolut to have intervened further.

Mrs B disagreed with the investigator's opinion so the complaint has been referred to me for a 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.

Having done so, while I'm sorry to disappoint Mrs B, I'm not upholding her complaint. I appreciate this isn't the outcome she was hoping for, but I've explained my reasons for reaching this outcome below.

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

However, 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 that in January 2024, when these payments were made, 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;
- 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.

It isn't in dispute that Mrs B has fallen victim to a cruel scam here, nor that she authorised the disputed payments she made from her account, but I've thought about whether the intervention steps Revolut took prior to processing the payments were reasonable and proportionate in the circumstances.

I've reviewed Mrs B's bank statements prior to the scam and can see that her account had been unused for years. While I appreciate Mrs B's comments that this ought to have caused these payments to have appeared more suspicious to Revolut, I think it also means that Revolut had less customer information to rely on when determining what is usual spending for Mrs B, versus what were one off larger, genuine payments.

In any event, Revolut did take steps to further question the payment purpose for Mrs B's first payment, by asking in-app dynamic questions, which were tailored based on the answers Mrs B was providing. I can completely appreciate why Mrs B provided incorrect responses to

these questions – she genuinely believed she was speaking to a Revolut advisor, so followed the fraudster's guidance believing this would best protect her funds. But my role is to consider *Revolut's* actions in the circumstances and whether it did enough to protect her.

Revolut processes thousands of genuine transactions daily and therefore has a difficult balancing act to strike between protecting its customers from financial harm, and not overly inconveniencing its customers making genuine payments. So, while there are a number of intervention options available to Revolut of varying levels, I would expect Revolut to be assessing the risk posed when a transaction is made, based on a number of factors to determine which is most appropriate. In this case, I think the intervention steps Revolut took were reasonable and proportionate in the circumstances. As I can't conclude that Revolut acted unreasonably by not making further enquiries prior to processing the payments, it follows that I don't hold it liable for refunding Mrs B's losses.

I appreciate Mrs B has raised personal circumstances that she feels made her more vulnerable to this scam and I'm genuinely sorry to hear that this awful event took place at an already stressful time in Mrs B's life. As Revolut wouldn't have been aware of Mrs B's circumstances when the scam occurred, I can't say it ought to have done more to be on the lookout for signs of financial harm from fraud as a result. In any event, Mrs B has explained that she was unaware of safe account scams before falling victim. Unfortunately this scam is notoriously successful based on its use of fear and urgency, regardless of an individual's circumstances, where the victim is unaware of the scam, and so I can't conclude Mrs B would've been able to better protect herself had her circumstances been different at the time.

#### *Recovery of funds*

Lastly, I've considered whether Revolut did all it could to recover Mrs B's funds once it was made aware of the scam. Revolut attempted to recover funds that same evening the scam was raised, but unfortunately no funds were available. Unfortunately, when scams occur, it's commonplace for the fraudster to move funds almost immediately from the beneficiary account, to avoid potential recovery by the victim's bank. I therefore think it's unlikely any swifter action on Revolut's part would've aided it in recovering Mrs B's funds.

Therefore, while I'm sorry to disappoint Mrs B, I haven't concluded that Revolut is liable for her losses and it therefore follows that I don't require it to reimburse her.

**My final decision**

My final decision is that I don't uphold Mrs B's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 September 2024.

Kirsty Upton  
**Ombudsman**