

The complaint

Miss A complains that Revolut Ltd hasn't refunded payments made from her account when she fell victim to a safe account scam.

What happened

Miss A received a phone call saying her bank account was at risk. She was advised to open a new account with Revolut and move money into this account. She was instructed to follow steps from the scammer that would mean her funds were moved to a new, safe bank account. But Miss A was actually approving card payments out of the Revolut account.

Miss A made three payments due to this scam. Two payments of £500 to one merchant and a payment of £1,197 to another. Revolut didn't agree to refund her these payments and didn't pursue a chargeback claim for her. Miss A complained but Revolut didn't change its stance.

Miss A brought her complaint to our service, but our investigator didn't uphold it. They didn't think Revolut ought to have intervened on any of the payments. And they agreed Revolut wouldn't have been able to recover them. Miss A asked for an ombudsman to review her complaint, she said that she didn't realise the payments were going to websites and not to the new bank account. And she explained she just followed the scammers instructions. So the complaint has been passed to me for 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.

The starting position in line with the Payment Services Regulations 2017 ("PSRs"), the relevant legislation here, is that Miss A is liable for payments she's authorised, and Revolut is liable for unauthorised payments.

For a payment to be regarded as authorised, the PSRs explain what steps must be completed. They set out that the payer must have given its consent to the execution of the payment, or a series of payments. And this consent must be given before, or if agreed between parties, after the payment; in the form, and in accordance with the procedure, agreed between the payer and the firm; and can be given via the payee or a payment initiation service provider.

While I accept Miss A didn't intend to pay the parties she did, her testimony sets out how she understood money would leave her account and be moved elsewhere. She also personally completed a key step for each payment on her phone, namely approving the transactions in her app, which is what enabled them to be processed. All three payments required Miss A to complete 3DS, an additional security step, to be processed. Miss A accepts she did this, albeit under the instructions of the scammer. The fact she understood, by completing the steps she did, that payments would be leaving her account is enough to say, under the PSRs, they were authorised by her. I recognise they didn't go to a new, safe bank account as she intended, but this isn't part of the test.

As I consider the payments were authorised, I've then considered longstanding regulatory expectations and requirements, and what I consider to be good industry practice. In line with this, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances. While Miss A hasn't provided evidence to our service she was scammed, Revolut has accepted this was the case.

I have reviewed Miss A's account and the payments made because of this scam. She opened this account due to the phone call, so there wasn't a payment history for Revolut to refer back to here.

Having considered when they were made, their value and who they were made to, I'm not persuaded Revolut ought to have found any of the payments suspicious, such that it ought to have made enquires of Miss A before processing them. As above, she had completed additional authentication on all of the payments, so there was already an additional step involved in the processing. And I can't say that the payments were so unusual – thinking about general payments a customer might make – that Revolut ought to have been concerned by any of them.

Miss A had opened a new account and paid funds into it before spending some of these funds. She made three payments to two different merchants. The third payment was made over half an hour after the first two and on a different virtual card. So there was a gap between the payments, and this means that she also must have shared her virtual card details with the scammer more than once. I don't think this pattern of spending warranted an intervention by Revolut.

I have considered whether there were any ways Revolut could have recovered Miss A's money, but I don't consider it could have.

I don't think it was wrong for Revolut not to pursue a chargeback claim in this situation. The funds went to genuine merchants who would've most likely provided the services paid for, just not for Miss A's benefit. I recognise Miss A has mentioned her vulnerabilities, but Revolut wasn't aware of these at the time of processing the payments. And Miss A's personal situation isn't a reason considered under the scheme that's applicable for payments made on card.

While I recognise that Miss A took the actions she did as the result of a cruel scam, I think she did authorise the payments that left her account. I don't consider Revolut ought to have intervened on the payments Miss A made. And I don't find there were any other failings on Revolut's part that would lead me to uphold this complaint.

My final decision

For the reasons set out above, I don't uphold Miss A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 16 December 2024.

Amy Osborne
Ombudsman