

The complaint

Ms H complains that Revolut Ltd won't refund money she lost when she fell victim to a bank impersonation scam.

Ms H is being represented by solicitors in this complaint.

What happened

The detailed background to this complaint is well known to both parties, so I won't repeat it again here. Instead, I'll provide an overview and focus on giving my reasons for my decision.

- Ms H received a call from someone purporting to be from bank "M" who she holds an account with. She states the phone number was almost the same as M's helpline bar one digit, and the caller already knew some of her details, like her full name, address, and account details. After completing 'security checks', the caller said her account had been compromised and was therefore unsafe. They said bank M is linked to and is in a partnership with Revolut, so they recommend setting up an account with it and transferring money there when M's security is compromised.
- Ms H already had an account with Revolut, so on the caller's suggestion she transferred her money to that account. She states the caller made payments out of her Revolut account, having already obtained her card details, and subsequently asking her to confirm the outgoing payments. In her submission to our service, Ms H says the caller told her the payments needed to be confirmed before they could be refunded. Three card transactions – two for £999 to merchant "A" followed by £45 to merchant "B" – debited her Revolut account. When the refund didn't come through immediately, Ms H realised something had gone wrong.
- Revolut said it couldn't stop the transactions as they had been approved. It asked her to raise a chargeback claim, but ultimately declined it. Revolut said the payments had been approved by Ms H on her mobile app (i.e., using stronger authentication) and recovery via chargeback wasn't possible for transactions approved using that method. Ms H was able to recover £10 directly from merchant A.
- Ms H complained to Revolut before referring the complaint to our service. Our investigator concluded that the transactions were authorised under the relevant regulations, and so Ms H would be liable for any losses resulting from them in the first instance. The investigator considered whether Revolut could have prevented Ms H's loss. They thought the second transaction to merchant A should have flagged as unusual and Revolut should have taken additional steps. But they concluded that the scammer would likely have persuaded Ms H to ignore any warnings from Revolut.
- Ms H asked for her complaint to be reviewed by an ombudsman. In summary, she said she had been the victim of an authorised push payment (APP) scam and Revolut failed to protect her. She said it should have identified the transactions were

unusual and should have implemented more robust measures to identify and prevent fraudulent activities.

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'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I have read and considered everything that's been provided.

Having done so, I've decided not to uphold the complaint. I'll explain why.

Ms H states that she fell victim to an APP scam. Payments using a debit card – as happened here – don't fall under the definition of APP scam. They are 'pull' payments as they are 'pulled' from the payer's account by the card issuer or the merchant rather than being 'pushed' by the payer (like in the case of a faster payment). That is not to say that a customer can't be scammed through card transactions. Based on the information provided, there's no doubt that Ms H fell victim to a cruel scam.

Ms H accepts that she approved the transactions in her Revolut app. She's told us she understood she needed to complete that step in order for her money to be refunded. I fully accept that Ms H didn't intend to lose money. But I think it's reasonable for Revolut to have treated the transactions as authorised, as they were correctly authenticated using Ms H's card information and stronger authentication was completed in her app. Having reviewed the stronger authentication screen that Ms H would have seen, I think it's clear that the purpose of completing it is to approve a payment as it specifies the name of the merchant, the payment amount, and the options are to "confirm" or "reject". Here, Ms H selected "confirm" – and so I don't think it would be fair to hold Revolut responsible for her losses on the basis that she understood she was completing the step in order to get a refund.

There are circumstances when it might be appropriate for payment service providers to take additional steps before executing a payment transaction. For instance, when there are grounds to suspect that the transaction presents a fraud risk. I acknowledge that Ms H hadn't used her Revolut account for a year when these transactions happened. But like the investigator, I don't consider that the first transaction ought to have given Revolut cause for concern. e-money accounts don't tend to be used in the same way as current accounts held with high street banks. It's not unusual for funds to be paid in just prior to making a payment.

That said, by the time Ms H authorised the second transaction for the same amount in less than ten minutes, I think there were grounds for Revolut to have suspected that Ms H might be at the risk of financial harm from fraud. And I think it ought to have provided a scam warning to Ms H before processing the transaction. But given the scammer had convinced her that they were from her genuine bank and made her believe that she needed to approve the transaction before her money could be refunded, on balance, I think it's more likely than not that she would have followed the scammer's instructions to ignore any warnings and continue with the transaction.

The last transaction was for a much smaller amount. I'm not persuaded that Revolut ought to have found it suspicious, such that it ought to have taken additional steps before processing it.

Once the transactions were authorised by Ms H and processed by Revolut, Revolut wouldn't have been able to stop the funds from leaving the account. I've considered whether Revolut

did enough to try and recover Ms H's loss upon being made aware of the scam. As these were card transactions, the relevant recovery method would be a chargeback. But a card transaction approved via stronger authentication, i.e., the additional step Ms H took to approve the transaction in the Revolut app, doesn't have grounds for a valid chargeback claim as an unauthorised transaction. I understand the Ms H's payments were used to purchase gift cards. It's unlikely that a chargeback claim for goods or services not received would have been successful, given the merchant did provide the gift cards in return for Ms H's money – just not to her.

In summary, I recognise that this will come as a considerable disappointment to Ms H. But in the circumstances, I can't fairly hold Revolut responsible for the money she lost because of the actions of the cruel scammer.

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 Ms H to accept or reject my decision before 23 April 2025.

Gagandeep Singh
Ombudsman