

The complaint

Ms H complains that Revolut Ltd won't reimburse her the money she lost after she fell victim to an Authorised Push Payment ('APP') scam.

What happened

On 20 August 2024, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below;

The background to this complaint is well known to both parties, so I won't repeat it all in detail here. But in summary, I understand it to be as follows.

Ms H has said that in November 2023, she responded to an email asking her to pay a small amount of money to cover additional postage costs. Ms H now recognises that she was the victim of a phishing scam and inadvertently shared details that later enabled her to be targeted.

In responding to the phishing email, Ms H has said she provided card details for an account she held with who I'll refer to as 'A'. A few days after responding to the phishing email Ms H received a call from someone claiming to be from A. The caller told her that they had identified some suspicious transactions in a different part of the UK and asked if Ms H had received any emails from postal providers recently.

On confirming that she had Ms H was told that hackers had access to all of her bank details, but that she shouldn't worry as the caller was there to help her. On being asked, Ms H then confirmed to the caller that she held accounts with two other banks, who I'll refer to as 'S' and 'H'.

The caller told Ms H that he would ask S to call her as they would now look after her. The caller stayed on the line until Ms H received the call as expected. Unknown to her at the time none of these callers were from her genuine banks, but from fraudsters.

The fraudster, claiming to be from S, told Ms H that her accounts had been compromised and that she would need to move all of her money to another account. Ms H followed the fraudsters instructions and moved money from the account she held with S, to her account with H. Ms H has said she did question this as she thought it strange, but that the fraudster reassured her that to safeguard her funds this needed to be done. The fraudster explained that while he was from S, he was communicating with H.

Following this the fraudster asked Ms H if she held an account with Revolut and when she told him she did, the fraudster said all of the money should now be moved from H to Revolut. The fraudsters told her that she would need to then move the funds to a 'World Bank'. Ms H has said she doesn't use her Revolut account often and wasn't familiar with the app, so she followed the fraudsters instructions in confirming 3DS notifications that were sent through to her for payments to go to a money transfer service, which Ms H believed to be the 'World Bank'.

The following payments were made from Ms H's Revolut account, but rather than going to a 'safe-account' they were going to an account that the fraudster controlled;

<i>22 November 2023 @ 19:00</i>	<i>£12.99</i>
<i>22 November 2023 @ 19:02</i>	<i>£3,991.99</i>
<i>22 November 2023 @ 19:19</i>	<i>£3.89</i>
<i>22 November 2023 @ 19:26</i>	<i>£1,891.99</i>

Shortly after this, the fraudster called Ms H again saying that somebody was trying to take a loan out in her name with H and to stop this she would need to apply for a loan herself (as the fraudster told her the bank wouldn't allow multiple applications and this would help prevent this). Ms H did as instructed and was granted a loan for £10,000. When the fraudsters asked her to move this loan money she's said she had her doubts and has said she told the fraudster he sounded like a hacker. But again the fraudster reassured her and so she tried to transfer the funds, but it was declined by H. The fraudster said that this was due to business hours and so they would call again in the morning.

As arranged, Ms H received a call the following morning but again the transfer was declined, so the fraudster told Ms H that they should try again later. But in the meantime, Ms H was genuinely contacted by H, who were calling to question the activity on her account. During this call Ms H initially tried to explain to H that she was already dealing with the bank and she was acting on the banks instructions to move her money – but when H told Ms H they hadn't called her, Ms H realised she'd been the victim of a scam.

Ms H raised the matter with Revolut, it looked into her complaint but didn't think it should be upheld. In summary, Revolut said that Ms H had authorised the transactions and that it's chargeback team had reviewed the payments, but didn't think there were any dispute rights for a valid chargeback claim.

Unhappy with Revolut's response, Ms H brought her complaint to this service. One of our Investigator's looked into it, but didn't think the complaint should be upheld. In summary, it was our Investigator's view that at the point Ms H was making the fourth payment to the fraudsters, for £1,891.99, there was enough going on that Revolut ought to have reached out to Ms H to establish the circumstances surrounding this payment. But our Investigator added that even if Revolut had done this, she was satisfied that Ms H would still have wanted to go ahead with the payments, this was because she thought the scammer would have been able to reassure Ms H, as they had done with text messages Ms H had received from other banks, and persuaded her to continue with the payments.

Ms H didn't agree with our Investigators' view. As agreement couldn't be reached the complaint has now been passed over to me for a decision.

What I've provisionally 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

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.

And, as the Supreme Court has recently reiterated in Philipp v Barclays Bank UK PLC, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.*
- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In Philipp, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.*

In this case, the terms of Revolut's contract with Ms H modified the starting position described in Philipp, by expressly requiring Revolut to refuse or delay a payment "if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks".

In this respect, section 20 of the terms and conditions said:

"20. When we will refuse or delay a payment

We must refuse to make a payment or delay a payment (including inbound and outbound payments) in the following circumstances:

- If legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks;*
- ..."*

So Revolut was required by the implied terms of its contract with Ms H and the Payment Services Regulations to carry out their instructions promptly, except in the circumstances expressly set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

I am satisfied that, to comply with regulatory requirements (including the Financial Conduct Authority's "Consumer Duty", which requires financial services firms to act to deliver good outcomes for their customers) Revolut should in November 2023 have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

So, Revolut's standard contractual terms produced a result that limited the situations where it could delay or refuse a payment – so far as is relevant to this complaint – to those where applicable regulations demanded that it do so, or that it make further checks before proceeding with the payment. In those cases, it became obliged to refuse or delay the

payment. And, I'm satisfied that those regulatory requirements included adhering to the FCA's Consumer Duty.

The Consumer Duty – as I explain below – requires firms to act to deliver good outcomes for consumers.

Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Revolut was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. The Consumer Duty is therefore an example of a regulatory requirement that could, by virtue of the express terms of the contract and depending on the circumstances, oblige Revolut to refuse or delay a payment notwithstanding the starting position at law described in Philipp.

I have taken both the starting position at law and the express terms of Revolut's contract into account when deciding what is fair and reasonable. I am also mindful that in practice, whilst its terms and conditions referred to both refusal and delay, the card payment system rules meant that Revolut could not in practice delay a card payment, it could only decline ('refuse') the payment.

But the basis on which I am required to decide complaints is broader than the simple application of contractual terms and the regulatory requirements referenced in those contractual terms. I must determine the complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case (DISP 3.6.1R) taking into account the considerations set out at DISP 3.6.4R:

Whilst the relevant regulations and law (including the law of contract) are both things I must take into account in deciding this complaint, I'm also obliged to take into account regulator's guidance and standards, relevant codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time: see DISP 3.6.4R. So, in addition to taking into account the legal position created by Revolut's standard contractual terms, I also must have regard to these other matters in reaching my decision.

Looking at what is fair and reasonable on the basis set out at DISP 3.6.4R, I consider that Revolut should in November 2023 have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

In reaching the view that Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances, I am mindful that in practice all banks and EMI's like Revolut do in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;¹
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;
- using the confirmation of payee system for authorised push payments;
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.

¹ For example, Revolut's website explains it launched an automated anti-fraud system in August 2018:

https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

For example, it is my understanding that from October 2023, Revolut operated a process whereby if it identified a scam risk associated with a card payment through its automated systems, it might initially decline to make that payment, in order to ask some additional questions (for example through its in-app chat). If Revolut was satisfied with the response to those questions and/or it provided a relevant warning, the consumer could use the card again to instruct the same payment and Revolut would then make the payment. I am also mindful that:

- *Electronic Money Institutions like Revolut are required to conduct their business with “due skill, care and diligence” (FCA Principle for Businesses 2), “integrity” (FCA Principle for Businesses 1) and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3).*
- *Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the “Financial crime: a guide for firms”.*
- *Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I do not suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut’s obligation to monitor its customer’s accounts and scrutinise transactions.*
- *The October 2017, BSI Code², which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).*
- *Since 31 July 2023, under the FCA’s Consumer Duty³, regulated firms (like Revolut) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was “consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”⁴.*

² BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

³ Prior to the Consumer Duty, FCA regulated firms were required to “pay due regard to the interests of its customers and treat them fairly.” (FCA Principle for Businesses 6). As from 31 July 2023 the Consumer Duty applies to all open products and services.

⁴ The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23)

- The main card networks, Visa and Mastercard, don't allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers' right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So it was open to Revolut to decline card payments where it suspected fraud, as indeed Revolut does in practice (see above).

Overall, 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 November 2023 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 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;
- 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 it 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 does); and

Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in November 2023, Revolut should in any event have taken these steps.

Should Revolut have recognised that Ms H was at risk of financial harm from fraud?

Ms H has said she didn't authorise the payments, as she didn't know she was making payments to a fraudster. So first, I've considered whether the payments should be treated as authorised, in line with the relevant regulations – the PSR's 2017.

In broad terms, as set out in the PSRs, a payment would be deemed authorised if the account holder completes the agreed steps to make a payment – or gives someone else access to complete those steps on their behalf.

On 22 November 2023, although there is no doubt Ms H was being tricked, she completed the 3DS screen in the Revolut app, for the purpose of allowing the payments to be taken. Ms H would have been aware at this point that the steps she took were to allow payments to be made, albeit she believed at the time it was in order to protect her money. So I'm satisfied Ms H authorised the payments for the purposes of the PSRs.

I've reviewed Ms H's account statements for the months leading up to the time she made the payments to the fraudsters. During that time the account is used quite often, but there is a clear pattern of spending with Ms H topping up her account with relatively low value amounts (most typically under £30), before then making payments out to the same existing payee. Ms H did top up her account with more substantial amounts, prior to making the first payment to the fraudster and the payment was being made to a new payee. The money was

going to a money transfer service, which presented an additional risk given that it was likely this was an effectively an international money transfer, which is a known method that fraudsters use.

I've considered these factors carefully, when deciding whether Revolut did enough here to protect Ms H from financial harm due to fraud. But while these factors are common red flags that firms should be aware of, given the small value of the payment being made I'm not persuaded Revolut had any reason to intervene on the first payment.

Just two minutes later, Ms H made a further payment for £3,991.99 to the same new payee. When considering the factors mentioned above, coupled with that it's common in scams for a fraudster to try to gain as much money from unsuspecting victims as possible and request payments in quick succession and given the significant increase in the value of the payment in comparison to the typical activity on the account, I think there was enough going on that Revolut ought to have recognised a heightened scam risk. With this, I think it reasonably ought to have taken steps to make further enquiries with Ms H about the reason for her making payment 2 – for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment she was making.

What did Revolut do to warn Ms H?

Revolut has said that none of the payments in dispute triggered its fraud prevention systems. However, even if Revolut had intervened and provided Ms H with a proportionate warning at the time she made this second payment, such as automated questions as I've mentioned above, I'm not persuaded it would have made a difference and dissuaded Ms H from wanting to continue with her payment.

Of course, I can't know for sure what would have happened had Revolut probed Ms H further about this payment. So, I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know. Having thought carefully about this, sadly I don't think any further intervention, at this point, is more likely than not to have made a difference.

I say this because at the time she was making this payment Ms H was still in contact with the fraudster, who was coaching her and telling her how to navigate through the Revolut app in order to make her payments. So I think it more likely than not the fraudster would have been able to convince Ms H to move past any automated warnings at this point, by coaching her to not disclose the true purpose of the payment. I think this is supported by what happened when Ms H had received text messages from H, where the fraudster was able to reassure Ms H and talk her through ignoring these messages.

However, as the payments continued in rapid succession, and by the time Ms H was making payment four, the risk of financial harm had increased, and a pattern had continued to emerge that was consistent with fraud. By the time payment four was being made Ms H had made four payments to a new payee within thirty minutes, totalling nearly £6,000 for what were effectively international money transfers. This represented a significant departure from how Ms H typically ran her account and what was happening carried many hallmarks of fraud. So much so, that I think Revolut ought fairly and reasonably to have refused the payment and done more to satisfy itself that the payment Ms H was making, was not related to a scam.

What kind of warning should Revolut have provided for Payment 4?

By payment four, for the reasons explained above the risk of fraud had increased even further. Due to this, I'm persuaded Revolut ought to have gone further by attempting to make

further enquiries about, not just the purpose of the payments, but the context behind why they were being made. I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Ms H's account. I think it should have done this by, for example, directing Ms H to its in-app chat to enable the payment to be discussed.

If Revolut had provided a warning of the type described, would that have prevented the losses Ms H suffered from payment four?

Revolut didn't question the payments Ms H made, so it can provide no compelling evidence that she would have misled it about the purpose of the payments or the surrounding circumstances. While I think the fraudsters would have been able to coach Ms H through automated warnings, I'm persuaded that had Revolut carried out a human intervention and asked more probing questions of Ms H around the purpose of the payments, it's more likely than not she would have spoken freely and explained that she was moving her money, on her banks instruction, in order to keep it safe.

I say that as there is credible evidence to support this. While the fraudster was coaching Ms H around how to navigate through automated communications from the firms that were involved in this scam, Ms H hadn't been provided with a cover story. I've listened to the call that Ms H had with H, when it intervened and called her about the suspicious activity on her account and during this call Ms H didn't hesitate to tell H that the purpose of her transactions was in order to protect her money from hackers. In view of this, I'm persuaded that Ms H would have done the same had Revolut intervened as I think it ought to have done.

With this, I think Revolut would have immediately recognised that she was falling victim to a scam. It would have been able to provide a very clear warning and once it had established why Ms H was making the payments it could have, as a minimum, warned her that it would never ask her to move money to a new account, that phone numbers could be spoofed and that she was falling victim to a scam. Given that Ms H had no desire to lose her money and nothing to gain from going ahead with the payment, it's very likely that she would have stopped, not followed the fraudster's instructions and her loss would have been prevented from the point she was making this fourth payment.

Should Ms H bear any responsibility for her losses?

I've thought about whether Ms H should bear any responsibility for her loss connected to the final payment. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint including taking into account Ms H's own actions and responsibility for the losses she has suffered.

I don't think Ms H's actions, or inactions, fell far below the standard expected of a reasonable person. Unfortunately, Ms H fell victim to a highly sophisticated and well-orchestrated scam. As with many scams of this type, the fraudsters employed an array of tactics, including spoofed messages and telephone numbers and phishing texts to convince Ms H that the money in her account was at risk.

The tactics employed by the fraudsters are common, but nonetheless captivating to anyone unfamiliar with them. The seemingly innocuous Post Office text message asking Ms H to pay a very modest postage fee, was, when the calls later came, confirmation to Ms H that her account was really at risk. In particular, I find that a spoofed number, as happened here, can often prove a very powerful deception to convince a customer.

I'm also mindful that Ms H didn't approach things with a complete disregard for risk, she checked the number she was being called from appeared genuine and while at times she had her own doubts, I don't think it was unreasonable for her to move on given the reassurances that she was given.

Ms H has explained that she spent a long time on the phone to the fraudster. The fraudster had created an environment where Ms H thought she had to act quickly to protect her accounts from an attack. With the benefit of hindsight and the removal of the pressured environment, it's easier to identify elements where Ms H may have had an opportunity to ask further questions. But the convincing nature of these scams can often have a negative effect on a person's thought process and make them take steps that, in the cold light of day, they might not otherwise take.

Overall, I don't think there should be a deduction to the amount reimbursed. Ms H clearly didn't want to lose her money. Her actions cannot be explained by carelessness or personal gain. There's little other explanation than that she believed what she was told by some very sophisticated fraudsters and in the circumstances I don't find her belief to be unreasonable.

Could Revolut have done anything to recover Ms H's money?

I've thought about whether Revolut did all it could to try and recover the money she lost, after she'd reported the scam to it.

Because the payments Ms H made to scammers were effectively card payments through the Revolut app, the only potential avenue for recovery of payment would've been through the chargeback scheme. Revolut made no attempt to recover Ms H's funds through the chargeback scheme, but I'm satisfied such a chargeback claim would've failed.

This is because the payments Ms H made were to a legitimate third-party transfer service (not directly to the scammers). This means the merchants here for chargeback purposes would be the transfer service and not the scammers. This transfer service has legitimately provided Ms H with the service intended - it facilitated the transfer of her money onto a third party. Whilst I understand the third party was a scammer, this would not give rise to a valid claim under the chargeback scheme. So I'm satisfied a chargeback claim wouldn't have been successful.

I don't think Revolut has acted unfairly or unreasonably in declining to raise a claim on Ms H's behalf that had no reasonable prospect of success.

Putting things right

Overall and with all things considered, for the reasons explained above, my provisional decision is that I uphold this complaint and intend to ask Revolut Ltd to:

- Refund Ms H the full amount of the fourth and final payment she made, being £1,891.99.*
- Pay 8% interest on this amount, from the date of the transaction to the date of settlement.*

My provisional decision

For the reasons explained above, my provisional decision is that I uphold this complaint in part.

Revolut responded and accepted the findings of the provisional decision. Ms H responded, but didn't agree with my findings. In summary Ms H;

- Questioned why the decision had been made to limit the refund to the fourth payment. As she thought Revolut could have taken better care and warned her from the second payment. Had it done so, Ms H argues that she wouldn't have gone ahead with the payment.
- Asked if Revolut could not have declined the 2nd, 3rd and 4th payments by identifying a scam risk associated to card payments.
- Questioned whether Revolut could have had similar processes or warning systems in place, to that of 'H', who she holds another account with, who had declined a transfer.

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 thank Ms H for sharing her further thoughts. Ms H has pointed out that she thinks Revolut could have taken better care at the point she made the second payment and, had it done so, she thinks this would have made a difference.

For the reasons set out above, I think a proportionate warning at the time Ms H was making the second payment, would have been for Revolut to have provided a better automated warning, such as asking a series of questions to narrow down the type of scam risk associated with the payment she was making. But, even if it had done this, I'm not persuaded this would have made a difference as the fraudsters were talking Ms H through how to bypass these type of automated warnings. I don't think that there was enough going on that I could fairly and reasonably have expected an intervention by Revolut to have extended further than this, at this point.

It was when Ms H was making her fourth payment, where I think there was enough going on that Revolut's intervention should have gone further than the automated response I would have expected for the second payment - and that a proportionate response for this fourth payment would have entailed a human intervention by Revolut, such as directing Ms H to it's in app-chat to enable the payment to be discussed. Importantly, in the individual circumstances of this case, I'm persuaded it is this type of 'human intervention' that would have made the difference. As opposed to the automated warning I would reasonably have expected Revolut to have given for the second payment.

Therefore while I think Revolut ought to have done more on both the second and fourth payments, I don't think a proportionate intervention on the second payment (such as a better automated warning) would have made a difference, but I'm persuaded, for reasons explained, that a proportionate intervention on the fourth payment (such as a human intervention) would have.

I've also thought about what Ms H has said regarding the potential for the third payment to be declined. But I'm mindful that Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a payment service provider to check each one. I don't think I can fairly or reasonably say that Revolut

would have had any basis on which to have suspected the third payment Ms H made was identifiable as a risk, as I don't think it would have appeared as so unusual or suspicious.

I'm mindful Ms H has asked why Revolut couldn't have similar processes or warning systems in place as H, who she holds an account with. But I should point out that it's not the role of this service to tell any financial business how to operate or run its fraud detection systems. That's the role of the regulator, the Financial Conduct Authority.

Putting things right

Overall and with all things considered, for the reasons explained above and in my provisional decision, my decision is that I uphold this complaint in part and now ask Revolut Ltd to:

- Refund Ms H the full amount of the fourth and final payment she made, being £1,891.99.
- Pay 8% interest on this amount, from the date of this transaction to the date of settlement

My final decision

For the reasons I've set out above, my final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 17 October 2024.

Stephen Wise
Ombudsman