

The complaint

Miss K complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam, and would like it to refund her the money she has lost as a result

What happened

Miss K received a phone call from an individual pretending to be calling from M – another bank. The individual told her that someone was attempting to fraudulently access her bank account held with H, and that her security information may have been compromised.

They explained to Miss K that in order to protect her funds, she needed to move her money out of H. Some of this money went to Miss K's account with M and on to the scammer, which M has since refunded, and some to Revolut, which Miss K then sent on to the scammer.

I have listed the transactions below.

Payment	Date	Transaction type	Amount
1	12 September 2023	Card payment	£4,100
2	12 September 2023	Card payment	£4,950
3	12 September 2023	Bitcoin purchase	N/A – didn't leave Revolut
4	12 September 2023	Faster payment	£100
5	12 September 2023	Faster payment	£200
6	12 September 2023	Faster payment	£1,900 (declined)
7	12 September 2023	Faster payment	£1,900 (declined)
		Total loss	£9,350

Miss K complained to Revolut, but it didn't uphold her complaint.

She then brought her complaint to this Service. Our investigator then looked into things, but didn't think that Miss K's complaint should be upheld. They said that while they understood Miss K had fallen victim to a scam, they didn't think that the payments were sufficiently unusual or suspicious enough for Revolut to have needed to intervene before it did.

Miss K asked for a final decision, so the complaint has been passed to me.

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, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Miss K, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Miss K authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss K when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payments in question, I don't think that the amounts, or frequency of the payments were sufficiently unusual or suspicious enough for Revolut to have had concerns that Miss K may have been at risk of financial harm. While I recognise that in total, Miss K has lost a significant amount of money, there is a balance to be made between Revolut processing payments on a customer's request whilst protecting them from financial harm, and they can't reasonably be expected to intervene with every payment.

Miss K's account was newly opened – so Revolut didn't have any account activity for Miss K to compare her normal account usage with – and while the first two payments could be considered as large, they were card payments made to a merchant and verified via 3DS. And I can't see that there was any information available to Revolut about the merchant that would have alerted it to a potential scam. The payments weren't going to crypto currency – or an individual.

I understand that Miss K also converted some of her money into cryptocurrency within Revolut – but this didn't debit her account, and never made it to the scammer.

The next two payments that debited the account were relatively small – and so I wouldn't have expected them to have been blocked by Revolut, although it has said Miss K was shown a new payee warning. Revolut blocked the last payments Miss K attempted to make, and so they didn't debit the account.

I can see that Revolut attempted to raise a chargeback request for the card payments, but this was not successful, and although it approached the receiving bank of the transfers the funds had already been moved on so there was nothing to return to Miss K.

I am very sorry that Miss K has lost her money – she has fallen victim to a cruel and manipulative scam, but the loss she has suffered has been caused by the scammer – and I can't ask Revolut to refund her when I don't think it has done anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 8 January 2025.

Claire Pugh
Ombudsman