

The complaint

Mrs V complains Revolut Ltd didn't do enough to protect her when she fell victim to an impersonation scam.

What happened

Mrs V has an account with Revolut which she opened in January 2023. She has accounts elsewhere, is self employed and says she'd recently moved to the UK.

Mrs V says she received an automated call on 20 July 2023 saying that her NI number had been temporarily suspended as there was a case against her for tax evasion. She says that she was told this was because she'd failed to register herself as self-employed. She says she was told that she would be arrested and her family could be deported if she didn't put matters right. She says she then spoke to someone claiming to be from HMRC. In fact, she was speaking to a scammer. She says the scammer tricked her into making six payments totalling just over £17,000 which, at the time, she believed would settle the case against her. Mrs V says she used savings and borrowing in order to fund the payments.

Shortly after making the final payment, Mrs V says she was told she'd need to make another payment of £9,000 for a High Court stamp. She says realised she'd been scammed when she started questioning this as the person she spoke to stumbled a lot in their explanation. Shortly afterwards Mrs V contacted Revolut to ask for its help getting her money back.

Revolut says it contacted the banks to which Mrs V's payments had gone within 24 hours but heard nothing back and so concluded all of her money had gone. In fact, Revolut was subsequently told that £9 remained and this was refunded to Mrs V on 4 August 2023. Mrs V complained that Revolut hadn't done enough to protect her.

Revolut looked into Mrs V's complaint and said that its systems had picked up the fact that she was making payments to new beneficiaries and had warned her. Revolut said that in its warning it had asked Mrs V about the purpose of the payments she was making, had displayed appropriate warnings based on her responses and that she'd decided to go ahead nevertheless. In the circumstances, Revolut said that it had done nothing wrong and that it couldn't reimburse Mrs V. Mrs V was unhappy with Revolut's response and so complained to our service.

One of our investigators looked into Mrs V's complaint and said that the first payment wasn't large enough to be considered unusual. They did, however, think Revolut should have been concerned when Mrs V attempted to make the second payment she did. That's because this second payment brought the total she'd sent to a new beneficiary in a very short space of time to over £7,000. In addition, Mrs V had told Revolut – in response to its on-screen warnings – that she was making the payment to a safe account. Our investigator said that Revolut ought to have contacted Mrs V to discuss the payment. Had Revolut done so, our investigator thought that it would have been apparent that she was falling victim to a scam. And that Mrs V would have stopped making further payments. Our investigator didn't think Mrs V had acted unreasonably in the circumstances. So, they recommended that Revolut refund payments two to six less the £9 recovered. And pay 8% simple per annum interest on

the refunds of payments two to five. Following responses from both parties, our investigator recommended that the refund be from payment one as Revolut's evidence showed Mrs V had said that payment was to a safe account too. Our investigator thought that Revolut should have checked whether or not this was the case before allowing the payment to go. Revolut disagreed saying that it had given proportionate warnings – despite which Mrs V had gone ahead and made payments which didn't make sense – and that our investigator's view was in places contradictory. Revolut asked for this complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed on 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.

In this case I'm satisfied that Mrs V made six payments towards this scam between 10:09am and 11:47am totalling just over £17,000. Four of the payments – for between £1,900 and £3,900 – went to the same beneficiary and the other two – for £700 and £4,600 – went to two different beneficiaries. In other words, I'm satisfied that Mrs V sent just over £17,000 to three new beneficiaries in a period of less than two hours. The sixth payment was funded using the proceeds of a loan from Mrs V's employer.

I'm satisfied that Revolut's systems identified the fact that Mrs V was sending payments to new beneficiaries, and on each occasion it gave her a warning relating to this. That warning asked her, amongst other things, whether or not she trusted the payee and reminded her that fraudsters can impersonate others. I agree with Revolut that aspects of this warning – particularly the fact that fraudsters can impersonate others – might well have resonated with Mrs V to an extent. I do, however, also accept that she was under a lot of pressure. More importantly, I can see when asked about the purpose of the payments that Mrs V said she was transferring money to a "safe account". I agree with our investigator that Revolut should have checked whether or not this was the case before allowing the payment to go as "safe account" scams are well-known so her answer should have been concerning. Our investigator thought that Revolut would have uncovered the scam had it done so.

Revolut, in its response to our investigator, said the warnings that it had given after Mrs V had selected that her payments were going to a "safe account" are designed to alert customers to the risks associated with impersonation scams. In other words, Revolut said that the warning it gave – albeit based on the assumption that Mrs V might be falling victim to a "safe account" scam – would have said the same things Revolut would have said had it recognised that she was falling victim to an impersonation scam.

Following my involvement, I asked our investigator to request a copy of the "safe account" scam warning that Revolut says it gave Mrs V so I could consider Revolut's points. Unfortunately, Revolut didn't respond meaning I've decided this case based on what we have. And based on what we have, I agree with our investigator that Revolut should have asked more probing questions when Mrs V said she was transferring money to a "safe account" and that it would have brought the scam to light had it done so.

Putting things right

Based on everything I've just said, I agree with our investigator that Revolut should refund the payments Mrs V made – less the £9 that was recovered – together with 8% per annum simple interest on the payments she funded with her own money as it could have done more to prevent Mrs V's losses. In other words, Revolut does not need to pay interest on the sixth payment as this was a loan from her employer unless Mrs V can evidence that she's repaid that loan in which case interest would be payable from the date of repayment to the date of

settlement. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Revolut Ltd to make the payments set out above in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 20 December 2024.

Nicolas Atkinson
Ombudsman