

The complaint

Mr C says Revolut Ltd ('Revolut') didn't do enough to help when he fell victim to a an 'authorised push payment' ('APP') impersonation / safe account scam. He says Revolut should reimburse him for the money he lost.

Mr C, in bringing his complaint, has used the services of a professional representative. For ease of reading within this decision, I will refer to Mr C.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In summary, Mr C fell victim to an impersonation / safe account scam. Mr C was contacted by someone who purported to be from his banking provider – whom I'll call 'B'. And the scammers had 'spoofed' B's genuine telephone number.

Mr C was duped into believing that his account and funds with B was at risk, and that he needed to move his funds to his account with Revolut and then from there on to a 'safe account' that had been set up for him. The scammer also alleged, during their calls with Mr C, that they had received information that Mr C's account was also being accessed by a member of B's fraud banking team, and it was essential to catch the person out.

Mr C believing he was liaising with a genuine B employee and worried that his business account was at risk (from which he was due to pay his employees) followed the scammers instructions and made payments from his business account with B into his Revolut account. Mr C then made the following payments from his Revolut account to the scammers account:

Date	Time	Type of payment	Amount
29 December 2022	19:40	Faster payment	£100
29 December 2022	20:35	Faster payment	£19,800
29 December 2022	22:27	Faster payment	£9,800
		TOTAL	£29,700

Mr C realised he had been scammed when he was being asked aggressively to send more money. Mr C reported the matter to Revolut Ltd the next day. Revolut ultimately didn't consider it was liable for the losses Mr C incurred. Unhappy, Mr C brought his complaint to our service.

Our Investigator didn't recommend the complaint be upheld. They considered that Revolut ought to have intervened on the payment Mr C made for £19,800. But in the particular circumstances of this case, they didn't think it would have had a material effect on preventing the scam or Mr C's losses. They considered that Mr C's other banking provider B, had intervened on one of the payments he was making to Revolut, and he had been inaccurate with B about the reason for the payment. So, the Investigator wasn't persuaded that Mr C would have acted differently had Revolut intervened.

Mr C disagreed with the Investigator's opinion and as the matter hasn't been resolved, it's been passed to me to decide.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm very aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is to determine whether Revolut could have prevented Mr C's losses. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Having thought carefully about Revolut's actions, I'm not upholding Mr C's complaint. I do appreciate how disappointing this will be for him. Mr C was a victim of a cruel and sophisticated scam and has lost a significant sum. But in weighing everything up, so Revolut's actions, the testimony Mr C has provided about what happened and information from third parties, I don't think I can fairly say Revolut could have prevented Mr C's losses and so aren't liable to reimburse him. I'll explain why.

The relevant law and regulations in place 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.

Here, the payments were authorised by Mr C, through the Revolut app on his mobile device. So, the payments were authorised and under the Payment Services Regulations the starting position here is that Mr C is responsible for the payments (and the subsequent loss) despite the payments being made as a result of a scam.

But that isn't the end of the story, and taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have 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 (and EMIs) are generally more familiar with than the average customer.

- 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.

What does this mean for Mr C?

Given the above, I've looked to see first, whether Mr C's transactions were unusual and out of character. And second, whether Revolut should have stepped in and intervened – so taking some additional steps or checks with Mr C about a payment.

But, and importantly, I have to determine whether these additional checks or steps would have put Revolut on notice that something might not be right, and that Mr C may be at risk of financial harm or revealed the scam. In short, I have to consider whether any intervention by Revolut would have made a difference and prevented Mr C from making the payments – thereby preventing the loss.

Here, Revolut carried out some actions on the first payment Mr C made (for £100), but there wasn't any further intervention by Revolut. I think Revolut ought to have had concerns about the next payment Mr C made. It was for a considerable amount - £19,800 and was out of character and unusual given the account activity. So, there was a risk that Mr C was potentially at risk from financial harm.

As mentioned above, despite any potential failings or shortcomings on Revolut's behalf – I have to consider whether intervention would have made a difference here overall. I have to weigh up what Mr C's belief was at the time he made the payments and take into account the narrative that he had been fed by the scammer, the actions he had already taken with his other banking provider – B and consider whether he would have proceeded with the payments in any event. This is the crux of the matter here.

Having considered this, I don't think Revolut would have been able to prevent Mr C's losses. Mr C, when speaking with B, gave a detailed story as to the reason for the payments he was making to Revolut. Mr C advised that he was going abroad for around six to nine months, partly for a holiday and partly for a business trip with his wife. With Mr C advising that his company was looking to expand, and he intended on doing a bit of machine buying abroad. So, sadly, Mr C was coached to provide inaccurate information to B and he used a narrative as to the reason for the payments that he was comfortable with which made it sound plausible to B.

Having listened to the call Mr C had with B, B also provides Mr C with a warning about impersonation / safe account scams. The adviser states:

Adviser: *"Has anyone contacted you asking you to move this money into a safe account because your 'B' account is at risk?"*

Mr C: *"No"*

Adviser: *"Just because sometimes we know that people, when their sending it to Revolut accounts and stuff, the reason why they get picked up is because what's happened is they've been contacted by someone saying that an internal source at 'B' is saying their accounts under risk from them and to send it to a safe account."*

Mr C: *"Sorry say that again, say that again, sorry I didn't quite catch that."*

Adviser: "Sometimes people get phoned up from someone saying they are from 'B' and to move their money into a safe account because their current account is under risk of internal breaches. So basically like giving them the impression that someone from 'B' is basically taking their account and going to start using their money. So what the scammer / fraudsters gets you to do is transfer to a different account outside of 'B' in order to kind of protect your money but what you are really doing is transferring your money out of your account into their hands and it goes under flag a bit because it is going into, as you say, one of your own accounts... so it is just a case of asking whether someone's contacted you to do this..."

Mr C: "Ok, alright, no no as I've said nobody has contacted me."

The B adviser then asks a few more questions about the Revolut account and whether any more money will be going over. The adviser then closes with a statement in which they advise:

Adviser: "With it just being picked up as a potential scam what I just want to do is read this quick statement out to you if that's alright."

So, it's to make you aware some of our customers have been approached by scammers using various methods that include social media, email, phone and text. And in some instances, they are claiming to be bank staff and police officers requesting you to move money from your account. And in some cases, the claim to be company representative's offering services or goods they have no intention of supplying. These scammers appear to be genuine, and they will aim to convince you that you are sending money for a legitimate purpose which turns out to be fraudulent.

The 'B's' fraud management system has picked this payment up as potential scam. And we would like to ensure you to take this information into account.

Based on the statement are you happy for me to go ahead and get the payment released for you?"

Mr C: "Yes please."

From listening to the call Mr C had with B, I note Mr C was engaged with the adviser throughout this call and importantly he was attentive and listening at the points the adviser mentioned what I've detailed above. Here, the adviser pointed out some features of impersonation / safe account scams and elements of tactics used by scammers – and these were directly relevant to what was happening to Mr C and what he was being asked to do. So, I find that this ought to have given him pause for thought or cause for concern about what he was being asked to do. But Mr C proceeded – and it seems this was because he was under the spell of the scammer and believed he was liaising with a genuine employee of B and was following their instructions.

When considering this, I find there to be – based on the balance of probabilities – a strong argument that had Revolut intervened and asked Mr C for the reason for the payments, that it is more likely than not, that he would have followed instruction from the scammer such was his belief in things. And I think he would have likely proceeded with a very similar story to the one he used when speaking with B. So, I think it is likely Mr C would have also been inaccurate with Revolut as to the real reason for the payment. And given the nature of the cover story that Mr C, to my mind, would have likely used, I think it is fair to say that Revolut wouldn't have considered that Mr C was at risk of falling victim to an impersonation / safe account scam and would have proceeded to provide warnings based on the potential risk it was presented with. So, it is likely it would have provided warnings around goods or purchase scams, or invoice or email intercept scams. And sadly, these wouldn't have made a difference or prevented Mr C from proceeding with the payments.

And had Revolut covered of a warning around safe account scams, I don't consider – based on Mr C's interaction with B – he would have heeded any warning provided, so it wouldn't have prevented him from proceeding with the payments.

Overall, based on the evidence I have seen, I'm not as persuaded as I would need to be to say that had Revolut intervened on the payments Mr C was making that it would have had material effect and prevented him from making the payments. So, I can't fairly say that Revolut ought to have prevented, or should be held liable, for the losses Mr C incurred.

Recovery of the funds

Revolut has provided evidence to show that despite Mr C reporting the matter promptly, the receiving account (where the funds had been sent to) had already utilised the funds and this was prior to Mr C reporting the matter to Revolut. So, there were no funds that remained that could be recovered or anything further that Revolut could do to try and recover Mr C's funds.

Summary

While I appreciate Mr C's been the unfortunate victim of a cruel scam, I think Revolut's decision not to refund him in this instance was fair and reasonable in the circumstances.

I say this because I'm satisfied Revolut followed Mr C's instructions to make the payments, and for reasons explained, I'm not persuaded any intervention would have made a difference here. And unfortunately, despite Mr C reporting the matter promptly, the funds had already been utilised by the scammer so no funds remained that could be recovered.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 5 June 2025.

Matthew Horner
Ombudsman