

The complaint

Miss T complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she fell victim to a scam, and would like it to refund her the money she lost.

What happened

Miss T received a text message claiming to be from a delivery company – as she was expecting a parcel, she entered some details as requested in order to rearrange a supposed missed delivery.

She then forwarded the text to her boyfriend so that he could track the redelivery of the parcel as she was due to be out for the day.

Soon after, Miss T's boyfriend received a phone call from someone claiming to work for 'A' – a credit card company. The individual explained that Miss T's and her boyfriend's accounts had been compromised by the scam message – and they needed to secure their funds.

Miss T spoke with the scammer on her boyfriend's phone, and they explained that she needed to move her funds to a 'safe' account and recommended she open one with Revolut. Miss T explained that she already had an account with Revolut.

The scammer explained that she would then need to move her money from her account with 'T' to Revolut, to hold the funds temporarily, and from there the funds would be moved to a new account with T, with a randomly generated name, which she could later change to her own name.

Miss T then moved £20,401.43 to her Revolut account and made three outward payments as listed below.

- 31 October 2023 - £8,900 – debit card to M (a cryptocurrency exchange)
- 31 October 2023 - £100 – Faster payment
- 31 October 2023 - £100 – Faster payment

After the call had ended, Miss T became suspicious that she hadn't received further contact to confirm the new accounts and realised she had been scammed.

Miss T complained to Revolut about what had happened, it managed to recover £100 of her money, but it didn't uphold her complaint, so she brought it to this Service. Our Investigator looked into things and thought that Revolut should have intervened from the first payment, however, they also thought that Miss T wasn't as careful as she should have been with her money, so they recommended Revolut refund Miss T 50% of her losses (minus the £100 it recovered).

Miss T accepted this, but Revolut did not. It said that the loss didn't take place from Miss T's account with it, but from the crypto wallet she paid the money to.

As there was no resolution, the complaint has been passed to me to make a final decision.

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 to uphold this complaint in part, for broadly the same reasons as our Investigator.

It isn't in dispute here that Miss T has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in September 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;
- 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 T 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 think that Revolut should have had concerns about the payments from the first payment that Miss T made from her account – the payment was much larger than any other payments Miss T had made previously, and Revolut would (or should have) known that the payment was going to a crypto exchange, which carries a higher risk of being associated with a scam. The payment also took place very shortly after two large payments were made into Miss T's account, which again was unusual, and could be indicative of a scam.

However, Revolut didn't intervene with this payment at all. It did intervene with some other payments that Miss T attempted (although not for the two small payments that actually debited the account) and displayed generic written warnings, which prompted Miss T to cancel the payments – although I don't think these warnings went as far as they should have done.

I think that at the point Miss T made the first payment, Revolut should have made a human intervention, and directed Miss T to its in-app chat to discuss what was going on, and why she was making the payment.

I haven't seen anything to suggest that Miss T was given any kind of cover story, or told to lie, so I think that she would have explained that she was moving her money to a 'safe account' which would have been an immediate red flag to Revolut – and had it explained to her that the money was actually going to a crypto exchange, and that it was very likely a scam I think that Miss T wouldn't have gone ahead with the payments.

So, I think that Revolut missed an opportunity to prevent Miss T's loss from the outset.

The only thing left for me to consider is if Miss T should bear some responsibility for what happened here – and I agree with our Investigator that Miss T wasn't as careful as she should have been before making the payments, and so liability for the loss should be shared on an equal basis between Miss T and Revolut.

Miss T has already agreed to our Investigator's recommendation, so I won't go into too much detail here – however, there were several red flags that I think Miss T missed that should have caused her concerns about parting with her money. Firstly, it wasn't plausible that A would be responsible for preventing fraud from accounts that were held with other providers (and Miss T wasn't even a customer of A, only her boyfriend). I also can't see that any logical explanation was given for the reasons Miss T needed to make payments from Revolut when the scammer had already told her that she needed to open an account with Revolut in order to keep her money safe – especially a large payment made by debit card rather than transfer.

Putting things right

Miss T's loss to the scam was £9,100 – and £100 was recovered. So, her total loss was £9,000.

Revolut Ltd should therefore refund Miss T 50% of £9,000. I calculate this to be £4,500.

Revolut Ltd should also pay Miss T 8% simple interest from the date of the payments until settlement (less any lawfully deductible tax).

My final decision

I uphold this complaint in part – Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 1 May 2025.

Claire Pugh
Ombudsman