

The complaint

Mr B complains Revolut Ltd (“Revolut”) didn’t do enough to protect him when he fell victim to a scam.

What happened

Mr B said he received a call from someone purporting to be a member of the Italian police, who we now know was a scammer. The scammer said Mr B’s phone had been hacked and his bank accounts were compromised. Mr B told us the scammer said they were working with Revolut. He said he transferred funds from accounts he held elsewhere into his Revolut account, exchanged them into Euros and transferred them on to another ‘safe’ account.

Mr B told us he found the request strange, so he checked the number they were calling from online and it matched that of a cybersecurity operation centre in Italy, he said he was also able to verify the name the scammer gave him. He also said the scammer knew about suspicious activity on another of his accounts from earlier on that day. Mr B said he asked for messages from Revolut as verification and received text messages in the same thread as legitimate messages from Revolut, that all this made him believe the caller was genuine and had visibility across his accounts.

Mr B said he began transferring his funds, the call ended in the early hours, and it was agreed the scammer would call again in the morning to continue with the transfer of his funds. He said the scammer called as expected and after Mr B had finished moving his funds, they agreed the scammer would call him again in the afternoon.

After the morning call Mr B said he phoned his financial adviser at an overseas bank to let them know a payment he’d made had been agreed by the police and it was at this time he realised he’d been scammed. He didn’t answer further calls from the scammer.

Below are the payments Mr B made towards the scam via his Revolut account:

Payment	Date	Payee	Amount
1	11 February 2024	RV	€16,500
2	11 February 2024	RV	€9,150
3	12 February 2024	MS	€10,000
4	12 February 2024	LC	€14,900
5	12 February 2024	ME	€19,680

Mr B complained to Revolut, and his complaint wasn’t upheld. It said it provided sufficient scam warnings prior to processing the payments. Unhappy with Revolut’s response, Mr B raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and upheld it. They thought Revolut ought to have used human intervention when Mr B made the first payment and if Revolut had the Investigator felt it would have, on balance, uncovered the scam. The Investigator recommended Revolut refund Mr B’s from the first payment onwards, with 8% simple interest applied from the date of loss to settlement.

Mr B accepted the outcome. Revolut didn't agree. In summary, it said:

- Mr B didn't answer Revolut's questions accurately so the opportunity to potentially uncover the scam was compromised by his lack of full disclosure.

As an agreement could not be reached, the complaint has been passed to me for 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.

In broad terms, the starting position at law is that an Electronic Money Institution 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 to have been good industry practice at the time, I consider it fair and reasonable 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. 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 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.

Should Revolut have recognised that Mr B was at risk of financial harm from fraud?

I believe Revolut ought to have been concerned when Mr B made the first payment. Having reviewed his account statements, I don't think its in-line with how he typically used his account. Payments are generally low value and those which are for higher amounts are payments made to accounts in Mr B's name. The value of this payment and it being made to a new payee should have been a cause for concern to Revolut. Additionally large sums entered the account shortly before and I think at the time the payment was made Revolut ought to have been aware of the common use of multi-stage fraud by scammers. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. I therefore think Revolut should have been concerned that Mr B could be at risk of financial harm from fraud when the first payment was made.

What did Revolut do to warn Mr B?

Revolut told us when Mr B made transfers to a new payee it displayed a warning asking if he knew and trusted the payee and if he was unsure not to pay them. The warning also said Revolut may not be able to help him get his money back and gave a reminder that fraudsters can impersonate others. Mr B continued past this warning each time.

Revolut also told us it held the first payment and asked Mr B why he was making it and he selected the option *'Pay a family member or friend'*. He was then asked further automated questions based on this answer. In summary Mr B told Revolut he wasn't being assisted to answer the questions, he was paying a family member or friend as he was buying something from them, he'd not paid them before, and he'd received the bank details face to face; which we know wasn't the case.

Revolut then displayed tailored warnings based on the above answers. They highlighted scammers can pretend to be family members or friends in distress and convince customers to transfer money urgently. They suggested calling the person you believe it is directly, checking bank details and gave a romance scam warning.

The warnings didn't resonate with Mr B and he continued to make the payment. I've considered why this is and believe it's likely because he didn't think they applied to him. Intervention from a firm requires accurate answers from the customer so it can effectively assess the risk of a payment and respond appropriately.

Mr B told us when answering Revolut's questions he *'was not able to find any answer providing me with the opportunity to explain that I was cooperating with the police (i.e. "Polizia Postale") and going through a joint procedure with Revolut, therefore I followed the instructions of the policeman, acting in good faith'*.

Revolut intervened before processing the third and fourth payments in the same way and Mr B responded as he did above.

What kind of warning should Revolut have provided?

Given the risk the first payment presented I think Revolut should have held the payment and contacted Mr B to discuss the circumstances of the payment. I think that human intervention would have been a proportionate response to the risk the payment presented. Particularly given the speed at which things were happening which suggested he might be falling for a safe account scam (so needing to break communication with the scammer).

I'd have expected Revolut to speak with Mr B via its in-app chat or otherwise and ask a series of open, probing questions to try and establish what, if any, scam risk there was. Based on the answers he gave; I'd have expected Revolut to provide a tailored warning highlighting the key features of the scam Mr B was likely falling victim to.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr B suffered?

I can't be certain what would have happened if Revolut had intervened in this way, so I need to make a decision on the balance of probabilities of what would most likely have happened if it had. Having thought carefully about this, I think if Revolut had intervened as I've described it would have uncovered the scam and prevented Mr B from making the first payment and those that followed. I'll explain why.

I think if Revolut had provided human intervention as I've described it should have narrowed down the scam Mr B was likely falling victim to was a safe account scam and then provided an appropriate warning. I think if it had Revolut would have uncovered the scam as I have no reason to believe Mr B wouldn't have positively engaged with a direct human intervention from Revolut.

It's clear from Mr B's testimony that he would have disclosed the purpose for the payment if given an opportunity to explain the reason he was making it. Human intervention as I've described would have given Mr B such an opportunity. It's also clear he believed he was speaking with the police who were working in conjunction with Revolut and with his best interests in mind. The scammer doesn't seem to have suggested the risk was within Revolut itself, as they told Mr B the issue had arisen due to hacking. I therefore see no reason why Mr B would mistrust Revolut if it had called him or spoken to him via its in-app chat.

I'm therefore persuaded contact from Revolut would have given him the opportunity he was looking for to explain what was going on and the pause he needed to consider what the scammer had told him. Mr B had concerns when he first took the call and while the scammer was able to convince him he was from the police and working with Revolut, I think the scam would have soon unravelled if Revolut itself had spoken with Mr B and questioned him on the circumstances of the payment. And if Revolut was unable to engage with Mr B it ought to have blocked the account until such time that it did, and I believe an effective conversation with open probing questions would have uncovered the scam and prevented the first payment and those that followed.

I appreciate Mr B didn't answer Revolut's automated questions accurately when it intervened, and Mr B has said as there wasn't an option that allowed him to explain he was speaking with the police, he asked the 'policeman' what option to select – and followed instructions to ensure his money was safe (rather than trying to mislead Revolut). And as I have explained I think human intervention was the proportionate response to the risk the payment presented rather than the automated questioning and this would have enabled Revolut to ask an open question which I'm satisfied, on balance, Mr B would have answered accurately. I'm therefore satisfied if Revolut had asked via the in-app chat, or during a call, what the payment was for, Mr B would have explained the true circumstances and the call from the 'police'.

Additionally, I'm satisfied it would have been harder for the scammer to counter a direct intervention from Revolut, as opposed to another firm in the chain, given they were allegedly working together. I've seen no evidence that another firm in the chain intervened directly which is what I believe it would have taken to uncover the scam.

Given the above, I find Revolut missed an opportunity to intervene proportionately. I'm persuaded if it had proportionately intervened as I've described, it would have uncovered the scam and prevented Mr B from making the first payment, and those that followed. I therefore find it's fair and reasonable to hold Revolut liable for Mr B's losses.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr B has chosen not to complain about any other firm and I cannot compel him to do so. And, I do not think it would be fair to reduce Mr B's compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr B bear any responsibility for his losses?

I've also considered whether Mr B should share any liability for the preventable loss. In

considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Revolut argues Mr B was grossly negligent and so should be responsible for the preventable loss, I disagree and will explain why.

Overall, I don't find that Mr B acted unreasonably in the circumstances. I believe the scam was sophisticated, persuasive and with the addition of fear and panic that his money was at risk. So, I understand why Mr B behaved in the way he did. He didn't take the call at face value and tried to verify the caller. The scammer had knowledge of suspicious activity on one of Mr B's other accounts and he received text messages seemingly from Revolut which will have also persuaded Mr B the call was genuine and added legitimacy to the version of events the scammer gave. I therefore don't think it would be fair to also hold Mr B liable for the preventable losses.

My final decision

For the reasons given above, I uphold this complaint and require Revolut Ltd to:

- Refund Mr B's losses from and including the first payment onwards.
- Pay 8% simple interest per year on this amount, from the date the payments debited his account, until the date the refund is settled (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 August 2025.

Charlotte Mulvihill
Ombudsman