

The complaint

Miss W complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

What happened

In February 2024, Miss W received a call from someone who claimed to work for HMRC. She was told she was being investigated for money laundering and so should make a series of payments between her accounts in order to provide evidence of legitimate activity. The caller then helped her open an account with Revolut, move money from an account she held with another bank to the Revolut account, and then make a number of payments out of the Revolut account.

I've set out the payments made out of Miss W's Revolut account below:

Date	Details	Amount
6 February 2024	To 1 st payee	£199.99
6 February 2024	To 1 st payee	£199.97
6 February 2024	To 1 st payee	£199.96
6 February 2024	To 1 st payee	£199.95
6 February 2024	To 1 st payee	£199.94
6 February 2024	To 2 nd payee	£199.93
6 February 2024	To 2 nd payee	£199.92
6 February 2024	To 2 nd payee	£199.91
6 February 2024	To 2 nd payee	£199.90
6 February 2024	To 2 nd payee	£197.53
6 February 2024	To 3 rd payee	£199.99
6 February 2024	To 3 rd payee	£199.97
6 February 2024	To 3 rd payee	£199.96
6 February 2024	To 3 rd payee	£199.95
6 February 2024	To 3 rd payee	£199.94
6 February 2024	To 3 rd payee	£199.93
6 February 2024	To 3 rd payee	£199.92
6 February 2024	To 3 rd payee	£199.91
6 February 2024	To 3 rd payee	£199.90
6 February 2024	To 3 rd payee	£199.79
6 February 2024	To 3 rd payee	£199.77
6 February 2024	To 3 rd payee	£199.76
6 February 2024	To 3 rd payee	£101.21

Unfortunately, we now know the caller was a scammer. The scam was uncovered after Miss W didn't receive the money back as the caller told her she would. She then reported the payments she had made to Revolut and asked it to refund the money she had lost.

Revolut investigated but said it had shown Miss W a warning when she set up the payments and wasn't at fault for processing the payments she had authorised. It was able to recover

£201.81 from one of the accounts the payments were sent to, but didn't agree to refund any more of the money she had lost. Miss W wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They thought Revolut should have done more to protect Miss W when she was making the payments, and acted faster once the scam was reported. So they recommended Revolut refund the remaining money Miss W had lost as a result of this scam. Revolut disagreed with our investigator, 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.

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.

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 in February 2024 Revolut should have been on the look-out for the possibility of fraud and taken additional steps or made additional checks before processing payments in some circumstances – irrespective of whether it was also required to do so by the express terms of its contract.

Looking at the circumstances of Miss W's case I think there could well be a case to say Revolut should fairly and reasonably have intervened in some of the payments she made, as there were identifiable signs that she was at risk of financial harm through fraud.

But I'm not going to make detailed findings on that issue, as there is a stronger case to be made for Miss W receiving reimbursement from Revolut.

Good industry practice – derived from the Best Practice Standards for recovery of funds lost to an APP scam – establishes that, once they are notified of a scam, firms should immediately contact the provider of an account that received funds as a result, to try to recover the funds.

Exactly what 'immediately' means isn't defined within the standards. But I considered it fair and reasonable to say that up to one hour would be an appropriate interpretation. And this reporting ought to be taking place 24/7.

From what I've seen of the communication when Miss W reported the scam, Revolut had the key details it would need to contact the receiving bank by 17:40 on 7 February 2024. But it didn't then contact the receiving bank to try to recover Miss W's funds until 21:15 that day, which is significantly more than one hour later.

We've not been able to get evidence from the receiving bank about when the funds Miss W sent were subsequently transferred out of the accounts they were sent to. And I appreciate that scammers will often remove funds from accounts they are sent to soon after they are received. But as Miss W reported the scam the day after the payments she made, and some of her funds were still available to be recovered after Revolut did report the scam to the receiving bank, I think it's reasonable to assume that her funds would still have been

available to recover if Revolut had acted more swiftly and in line with the expectations I've set out above.

So if Revolut had contacted the bank the payments Miss W made were sent to more quickly, as I think it should have done, the remainder of Miss W's loss could have been prevented. And so I think it would be fair for Revolut to now refund Miss W the remainder of the loss she suffered that hasn't already been recovered.

Revolut has suggested Miss W should bear some responsibility for her loss, and that any refund it is required to make should be reduced to take into account her contributory negligence in not carrying out more checks on the legitimacy of the calls she received before making the payments. But I don't think it would be fair to apply such a reduction to the refund here as, regardless of how reasonable Miss W's actions may or may not have been, I think her losses could have been recovered – and without any loss to either her or Revolut.

So I still think Revolut should refund the remainder of the loss Miss W suffered that hasn't already been recovered.

My final decision

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

- Refund Miss W the remaining loss she suffered as a result of this scam – totalling £4,295.19
- Pay Miss W 8% simple interest per year, calculated from the date she reported the scam (7 February 2024) to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 9 May 2025.

Alan Millward
Ombudsman