

The complaint

Mr P complains Revolut Ltd won't reimburse over €3,500 that he lost when he fell victim to a scam.

What happened

Mr P was searching online for a villa to book for a family holiday. He found what he believed was a legitimate listing through a well-known online marketplace for short and long-term homestays - I'll refer to that company as 'A'. Mr P proceeded to contact the host through A's website. Mr P said the cost of the villa for seven nights was reasonable and so he agreed to reserve it. Mr P says he tried to pay on A's website but the payment failed. The host contacted Mr P and informed him that they no longer used A to take bookings and provided him with a payment link for an alternative and well-known website.

On 27 March 2024 at 08:52am, Mr P sent €3,500 by way of international transfer from his Revolut account to the host. After receiving the booking details, Mr P felt concerned that the email he received was fake and realised he'd fallen victim to a scam. He notified Revolut the same day but Revolut told Mr P it was unable to recover his money. Mr P complained that Revolut failed to protect him from financial harm and he also complained about how it handled his report of fraud and it delayed contacting the beneficiary bank.

Our investigator didn't uphold the complaint. He didn't think the payment was unusual when compared to Mr P's normal account activity, he also felt Revolut did all it could to recover Mr P's funds but the beneficiary bank confirmed that no funds remained in the account.

Mr P replied and asked for an Ombudsman to review his complaint. He wanted the Ombudsman to specifically focus on his conversations with Revolut between 27 March 2024 and 29 March 2024 and asked that we match it with Revolut's attempt to recover his funds. He also highlighted that Revolut attempted to commit a GDPR breach.

The matter was therefore passed to me for determination.

I wrote to Revolut on 4 November 2024. In summary, I explained that I was satisfied that it couldn't have foreseen that Mr P was falling victim to a scam as the disputed payment wasn't unusual when compared to his normal account activity. He'd previously sent payments that were much larger in value, so the disputed payment wouldn't have appeared all that unusual.

I explained that I wasn't satisfied Revolut acted swiftly enough when Mr P reported the scam. I noted that Mr P reported the scam the same day of his payment but Revolut didn't contact the beneficiary bank until 29 March 2024. I noted the beneficiary bank responded promptly to advise Revolut that no funds remained in the account. I asked Revolut to provide evidence that its delay made no material difference to recovering Mr P's funds. Revolut didn't reply.

I sent a further email to Revolut explaining that in absence of the material evidence I requested, I would issue a final decision upholding the complaint in Mr P's favour as I'm not satisfied it couldn't have recovered his money sooner had it acted quicker.

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 uphold Mr P's complaint. Mr P didn't dispute our Investigators conclusions on Revolut's ability to prevent his loss. I also agree with our Investigators conclusions on this for the following reasons:

- It isn't in dispute that Mr P authorised one international transfer payment of €3,500 on 27 March 2024 from his Revolut account to the scammer. I'm satisfied that Mr P was the unfortunate victim of a sophisticated scam and I don't think he could have foreseen that he was being scammed before he made his payment. The payment was requested by him using his legitimate security credentials, and the starting point is that payment service providers ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- There are circumstances where a payment service provider should reasonably intervene in a legitimate payment instruction if it reasonably suspects the customer could be falling victim to fraud or a scam. Indicators could include but are not limited to, the size of the transactions, details known about the beneficiary or unusual patterns of spend. There is a balance to be struck as payment service providers can't reasonably intervene in all legitimate payment instructions. In this instance, I don't find that Revolut ought to have reasonably deemed Mr P's transaction of €3,500 as unusual. I say this because Mr P's account was in use from 2018 and he frequently sent international payments from it. He'd also sent a larger payment within the twelve months leading up to the scam, for example £23,000 on 12 July 2023 by way of transfer. And so, I don't think the destination of the disputed payment or size of it would have been concerning to Revolut. In other words, I don't think Revolut missed an opportunity to prevent Mr P's loss.

Recovery

I'm not satisfied that Revolut acted swiftly enough when Mr P notified it he was the victim of a scam. Mr P reported the scam to Revolut at 4:44pm on 27 March 2024 (the same day he instructed the payment). Revolut explained to Mr P that its delay in contacting the beneficiary bank was because it was investigating Mr P's report. But I don't find this to be a reasonable explanation. Mr P was quite clear that he was scammed and provided supporting evidence. He also requested that Revolut contact the beneficiary bank - this all happened on 27 March 2024.

In my judgement, Mr P provided enough information for Revolut to have assessed that he'd likely fallen victim to a scam to enable it to contact the beneficiary bank sooner. Revolut only appear to have taken Mr P's concerns seriously once he asked for the matter to be escalated to a manager. Unfortunately, Revolut didn't report the matter to the beneficiary bank until 29 March 2024 and I see no good reason for this delay. In absence of any persuasive evidence to show me that Revolut's material delay made no difference to its ability to recover Mr P's payment, I find that but for Revolut's delay in contacting the beneficiary bank, Mr P would likely have recovered all of his money. It would therefore be reasonable for Revolut to return this payment to him together with interest.

Ancillary points

Mr P raised concerns about Revolut's member of staff advising him to re-engage with the scammer in order to recover his money. The staff member suggested that Mr P share his bank details in order for funds to be reimbursed to him and he feels this would have amounted to a breach of GDPR had he done so. I don't think advising Mr P to further communicate with the scammer was appropriate of Revolut under the circumstances. But I don't intend to award any additional compensation on this point as I've noted Mr P didn't take its advice and I don't think it had any material impact on him. Albeit I do appreciate his concerns.

My final decision

My final decision is, I uphold this complaint. Revolut should:

- Refund Mr P's disputed payment of €3,500 (converted to GBP) to his Revolut account. Revolut should use the applicable exchange rate from 27 March 2024 when calculating Mr P's refund.
- Revolut should also apply 8% simple interest, per year on the above amount, from the date Mr P reported the scam (27 March 2024) to the date of refund.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 1 January 2025.

Dolores Njemanze
Ombudsman