

## The complaint

Mr S complains that Revolut Ltd won't refund money he lost when he was a victim of an impersonation scam.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In January 2024, Mr S received a telephone call from a person, that we now know to be a scammer, who introduced themselves as working for one of his other banking providers (which I will refer to as 'C'). The scammer advised Mr S that his account at C had been compromised and fraudulent activity had been suspected. Mr S said the scammer was able to provide him with payments he had made on his account with C, which convinced him the call was genuine. As a result, Mr S moved his funds from his account with C into a safe account which the scammer had said he had set up for him - however, the safe account was in the control of the scammer.

Mr S then asked the scammer to help him secure his funds with Revolut. Mr S was told by the scammer this would need to be done by another representative as he was only able to help him secure his funds from C. Shortly after, Mr S received a call from another scammer informing him he would complete the same process he had previously gone through with C, to secure his funds in his Revolut account.

Mr S made the following payments under the guidance of the scammer from his Revolut account to what he thought was a secure account:

| Date            | Transaction type | Payee       | Amount     |
|-----------------|------------------|-------------|------------|
| 30 January 2024 | Fund transfer    | 'AKKN'      | £8,098.77  |
| 30 January 2024 | Fund transfer    | 'NH'        | £5,199.99  |
|                 |                  | Total loss: | £13,298.76 |

Mr S contacted Revolut the following day and reported the scam. Revolut attempted recovery on the same day and were informed by the beneficiary bank that only £3.10 remained - which they returned to Mr S's Revolut account.

In April 2024, Mr S complained to Revolut saying the payments were made as part of a scam, in short, he said:

- The scammer called him when he was extremely vulnerable due to being on strong medication after suffering from a slipped disc in his back, which had caused him a great deal of pain and disruption in his life.
- The scammer was able to confirm payments he had made on his account with C, which convinced him the call was genuine. So, he was extremely worried about making sure he could secure all his funds from his various accounts including Revolut.

- He didn't have any reason to doubt the authenticity of the initial contact from the scammer, and he was an unwitting, blameless victim of a clever fraudster.
- Revolut should have provided him with advice and education about how he could protect himself against this type of scam. Revolut did not effectively intervene on any of the payments he made and only provided generic automated messages asking him to confirm the payments were genuine.
- Based on his previous account activity, two large payments in quick succession on the same day to two new payees totalling £13,298.76 should have prompted Revolut to intervene and contact him to discuss them further.
- Revolut had enough knowledge about the scam he fell victim to, and if they had intervened when he made the first payment and contacted him to it in more detail, this could have prevented his loss.
- To settle this complaint, he wants a full refund, 8% interest to be paid and £300 compensation.

Revolut investigated the complaint but didn't uphold it. In short, they said:

- When the disputed payment(s) were being made to a new beneficiary they displayed the following message:

*"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back".*

As Mr S acknowledged this warning, he was free to continue with the payment.

- They showed a message informing Mr S that the transfer was riskier than most transactions. And they asked about the purpose of the payment, whether someone was pressurising him into making the payment or if he'd been called unexpectedly.
- They also showed a message about the purpose of the payment, followed by educational screens regarding the type of potential scam. After these warnings, Mr S was free to continue with his transactions.
- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs – and provide updates on their fraud and scam hub.
- They weren't at fault for processing the transfers that Mr S authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account within 24 hours after the scam being reported. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. This resulted in them being able to recover £3.10, which was returned to Mr S's account on 12 February 2024.
- They're not liable for these transactions, as they treated Mr S fairly and they fulfilled their duty to protect him by providing sufficient warnings and trying to recover the funds.

Mr S's complaint was referred to the Financial Ombudsman. Our Investigator didn't think Revolut had to do anything further. Although he thought Revolut should have been concerned by the first payment, the Investigator said Revolut did direct Mr S to their in-app chat when he attempted the second payment to establish the circumstances surrounding the payment before allowing it to debit his account. The Investigator went on to say despite Mr S

misleading Revolut with the reason why he was making the payment, Revolut still provided him with tailored warnings which were applicable to his circumstances, however, he did not take this warning on board and wanted to go ahead with the transaction.

As a result, the Investigator said even if Mr S was directed to the in-app chat to discuss the first payment, this wouldn't have been effective based on the incorrect information he provided Revolut when they directed him to the in-app chat on the second payment. The Investigator also felt Revolut acted without any unnecessary delays when the scam was reported to try and help recover the funds for Mr S, so he would not be asking them to do anything else.

Mr S disagreed and asked for his complaint to be reviewed by an Ombudsman. In short, he said, he wasn't in the correct mental space when making the payments due to the heavy medication he was on, because of a slipped disc and sciatica. He also mentioned the payments were made around the anniversary of his late father's passing. And he considered that as C had accepted he had been a victim of a scam and refunded him in full for other transactions he'd disputed, Revolut should do the same.

As no agreement could be reached, the matter has 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.

I'm very sorry to hear about what's happened to Mr S. He's been the victim of a cruel scam, and I can only imagine how upsetting this has been for him. But I'm afraid that I'm unable to hold Revolut responsible for his loss. I'll explain why.

Under the relevant regulations, the Payment Services Regulations 2017, Mr S is responsible for payments he's authorised. There's no dispute about that here. Revolut aren't signatories to the CRM Code, so I'm unable to take its provisions into account. Instead, 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, Revolut should fairly and reasonably have been on the lookout for out of character and unusual transactions or other indications that its customer might be at risk of financial harm from fraud.

Revolut have mentioned shortly before the disputed transactions took place that their systems flagged some attempted debit card payments on Mr S's account, which resulted in them immediately blocking his account. They reached out to Mr S to confirm if the payments were genuine and when he confirmed they were, he was free to unblock his account which he duly did.

This brings me onto the disputed transactions, and as part of the transfer process for the payments, Revolut provided Mr S with advice and warnings to try to protect him from being scammed. They presented the following warning to Mr S before he made each payment to the new beneficiaries:

***“Do you know and trust this payee?”***

*If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment.”*

Revolut carried out further checks and asked Mr S to confirm the payment purpose for both

transactions - which he selected *“pay a family member or friend”* that prompted subsequent questions which were relevant to the scam risk identified. Revolut also provided educational stories – tailored to the selected payment purpose. Revolut have provided us with the options that were available to Mr S, and I can see he could have selected *“moving money to a safe account”*, which was what he thought he was doing.

Revolut also carried out further checks, undertaking a fraud risk assessment, on both of the transactions. Revolut explained to Mr S that the transactions had been flagged by their system as a potential scam and that, to continue, they needed to ask him some questions. Revolut directed Mr S to answer truthfully and told him that if he was being scammed, the fraudster might ask him to hide the real reason for this payment. Mr S confirmed that he understood this.

Revolut asked Mr S questions that included:

***“Is anyone telling you how to answer these questions?  
Is someone telling you which options to choose or telling you this is urgent?”***

Mr S selected ‘No, I am not being assisted through this questionnaire’.

***“Why are you making this transfer?  
We’ll only use this information to help protect your account”.***

Mr S selected ‘pay a family member or friend’.

***“How did they provide the bank details?  
Make sure the bank details provided were actually from your family member/  
friend.”***

Mr S selected ‘face to face’.

I’m satisfied Revolut’s questions were clear and unambiguous. I similarly consider that Revolut made it clear to Mr S that he should answer their questions truthfully, as well as warning that a fraudster might ask him to hide the real reason for the payment. Despite this, Mr S selected *“Pay a family member or friend”* as the purpose of both payments – so, he was shown scam warnings associated with that type of risk. Although these mostly weren’t particularly relevant to Mr S’s circumstances, Revolut provided sufficient other warnings to alert Mr S of the features of the scam taking place.

This is evident when Mr S attempted to make the second payment, and he was directed to a specialist agent in Revolut’s in-app chat. Revolut have shown Mr S was provided with explicit warnings regarding safe account scams, such as:

***“Scammers may impersonate Revolut, another bank or the police and  
pressure you to make a payment urgently, telling you to ignore our alerts.  
Never ignore these alerts, even if someone tells you to. Please stop and let  
us know if you are concerned for your account safety”.***

Revolut have also provided us with the chat they had with Mr S and I can see Mr S was asked targeted questions regarding the circumstances of the payment he was making, which he explained:

***“I’m making a payment for a wedding hall, I been to the place in real life and the last  
wedding I been to was held there, it’s a standard price of £5,199.99 and that was the  
agreed amount. It’s a family friend of mine and I’m looking to process the money***

*before the wedding date.*

Mr S was also asked to confirm that he wasn't being guided to make the transaction, and he did – saying *“I'm not being guided and I would like to deal with the transaction as soon as possible before the wedding date”*. And he went on to confirm he was *“happy to proceed, I have seen the venue in real life, and this is a family friend and not someone which I found online.”*

Based on the information provided, although I agree with our Investigator that Revolut should have intervened when Mr S attempted the first payment, I don't think this would have made a difference. I say this based on the answers Mr S provided when Revolut directed him to their in-app chat on the second payment – as I've no reason to think he would've answered questions at this point any differently.

From what Mr S told our Investigator as to whether he had been given a cover story to give to the bank, he said the scammer told him to *“advise the bank that he was moving money to a safe account as his bank account had been hacked”*. However, this isn't what Mr S told Revolut when questioned on the second payment. It's unclear what prompted Mr S to tell Revolut the payment was for a wedding hall booking. I've noted that Mr S has said his mental health wasn't in a good space at the time but, while I'm sympathetic to his situation, from what I've seen, I'm not persuaded this was the reason for inaccurate responses to Revolut's questions being given. In any event, regardless of the reason for why Mr S didn't give the correct information, I don't think I can fairly hold Revolut responsible for that. And I consider the answers Mr S did provide were plausible in the situation. And because of this, I don't think there was enough reason for Revolut to suspect their questions weren't being truthfully answered, or that Mr S was being coached to mislead them. As a result, Revolut would've understandably been reassured that Mr S wasn't at risk of financial harm from fraud – but that he was likely making the payment(s) for legitimate purposes.

If Mr S had been truthful with Revolut and told them he was moving money to a safe account, they might have been able to take further action to protect him from the scam. But in the absence of Mr S sharing this information, despite clear questions being asked about the surrounding circumstances of the payment, I don't think I can reasonably conclude that Revolut could've uncovered the scam (and prevented Mr S's loss). Unfortunately, while Mr S was an innocent victim of a scam, he didn't answer Revolut's fraud prevention questions accurately and he ignored warnings that were relevant to his specific circumstances.

Finally, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr S's losses, but I don't think they could. This is because Revolut has shown they contacted the beneficiary account provider, which I'd expect, but only £3.10 remained and I understand this has been returned. I therefore consider Revolut took reasonable steps to try to recover Mr S's funds but, sadly, it had mostly been removed by the scammers.

I have a great deal of sympathy for the health issues Mr S suffers from and the difficulty of dealing with the anniversary of his father's passing at the time. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 28 May 2025.

Israr Ahmed  
**Ombudsman**