

## The complaint

Mrs E is complaining that Revolut Ltd won't refund payments she made to a scam.

## What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the Investigator. The facts about what happened aren't in dispute, so I'll only set them out briefly here.

In short, Mrs E fell victim to a safe account scam in August 2024. She received a call from someone who said they worked for a bank she also had an account with. The caller advised Mrs E that her account was at risk, and she needed to move her money to keep it safe. Mrs E said she had concerns that the caller wasn't who he said he was, so she disconnected the call a few times. She also told us she recorded some of the calls because of these concerns. Mrs E has told us the caller rang back each time and convinced Mrs E he was working for her bank. So, she moved funds from her account with her bank, to her Revolut account.

Mrs E made the following payments as part of the scam:

Payment number	Date	Type of Transaction	Amount	Status
1	2 August 2024	Card payment to money transfer service	£1,200	Completed
-	2 August 2024	Card payment to third party business	£1,201.60	Declined
2	2 August 2024	Card payment to third party business	£1,201.60	Completed
-	2 August 2024	Card payment to money transfer service	£2,001.99	Declined
-	2 August 2024	Card payment to money transfer service	£2,001.99	Declined
3	2 August 2024	Card payment to money transfer service	£2,001.99	Completed
4	2 August 2024	Card payment to investment platform	£1,000	Completed
5	2 August 2024	Card payment to money transfer service	£1,001.99	Completed

On 3 August 2024 Mrs E realised she had been scammed and contacted Revolut. Revolut decided not to submit a chargeback claim to recover the lost funds, because it didn't think it would be successful.

Mrs E complained to Revolut and it issued a final response in August 2024, explaining that it wouldn't be refunding the payments to her. Mrs E brought her complaint to our service. One of our Investigators looked into the complaint and upheld it in part. They thought that Revolut should have identified that Payment 3 was concerning and should have questioned Mrs E

about it before it debited her account. If Revolut had done this, the Investigator thought that the scam would have come to light and Mrs E's further losses would have been prevented.

Our Investigator however thought Mrs E ought to take some responsibility for her loss too. He advised that Mrs E had concerns about the person she was speaking to, which is why she disconnected some of her calls with the scammer. She also recorded the calls because she was suspicious of the caller. The Investigator said she was also being asked to move her funds to a "safe account" but in reality she was sending payments to several different sources. The Investigator thought that a fair deduction to the amount reimbursed would be 50%.

Revolut accepted the outcome. But Mrs E remained unhappy, so the complaint has been passed to me for a 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 ("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 to have been good industry practice at the time, I consider it fair and reasonable that in August 2024 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.

### **Should Revolut have recognised that Mrs E was at risk of financial harm from fraud?**

I've considered whether there was anything about the circumstances surrounding the payments that could have put Revolut on notice that it was being made as part of a scam. And I think there was. I'll explain why.

It isn't in dispute that Mrs E has fallen victim to a cruel scam here, nor that she authorised the disputed payment she made. But as I've explained above, Revolut should have had appropriate systems for providing warnings and carrying out further enquiries before it processed such payments. So, I've gone on to consider, taking into account what Revolut knew about the payments, at what point, if any, it ought to have been concerned that Mrs E was likely at a heightened risk of fraud. And if so, whether it should have intervened, for example by providing an online written warning, or by contacting Mrs E directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Mrs E's account was opened in April 2019, so Revolut would have been aware of how she was using the account before the scam occurred.

I'm conscious that Payment 1 for £1,200 was relatively modest so I can't see any reason for Revolut to have been particularly concerned about it. A payment of this size is unlikely to have appeared unusual to Revolut. So, I don't think this payment alone would have indicated that Mrs E might be at risk of financial harm from fraud.

Payment 2 was stopped, and Mrs E was asked if she recognised it. Mrs E has said she was concerned with the destination of the payment. She said she didn't want to proceed with it but that the scammer later convinced her to go ahead with it. I don't think this payment would have stood out as particularly concerning given its value, like Payment 1.

Mrs E has argued that Revolut should have been monitoring her accounts better and so they should be at fault for allowing the payments to go through. I accept that some of the payments she made to the scam were higher in value than the payments she usually made from her account. But a customer making some larger payments, compared to their usual spending is not uncommon, so I wouldn't have expected Revolut to have done more when putting through Payment 1 and 2. I also need to take into account that Revolut needs to strike a balance between protecting customers against fraud and not unduly hindering legitimate transactions, so I don't think Revolut ought to have been so concerned about Payment 1 and 2 that it ought to have provided specific warnings and I think the check it carried out on Payment 2 was proportionate in the circumstances.

However, by Payment 3 there was a pattern of fraud which should have indicated to Revolut that Mrs E was at risk of falling victim to a scam. I am mindful that a common theme to a scam - especially a safe account scam - is that a scammer tries to gain as much money from unsuspecting victims as is possible. So, where there are multiple payments or transfers made in quick succession, it is a possible indication to a firm that their customer could be at risk of financial harm.

Mrs E's account was generally used for low value payments and for day-to-day expenditure. However, on the day of the scam, Mrs E credited her account with a number of payments from her bank account in quick succession. Within minutes, Mrs E proceeded to send these payments out to a number of different destinations, with only a few minutes between each payment. This is a well-known fraud pattern, and one which ought to have indicated that Mrs E was at an enhanced risk of financial harm from fraud. As mentioned, Payments 1 and 2 were not remarkable enough in nature or value to have prompted an intervention from Revolut, but by the time Payment 3 was attempted, I think it ought to have intervened further.

What did Revolut do to warn Mrs E?

Revolut have confirmed that Mrs E attempted to put through Payment 3 on two occasions and that it was stopped. On the first occasion she was shown a warning and selected that “she was being guided” to make the payment. Revolut have said the second attempt was not put through as the alert for the earlier attempt was still pending. However, it has advised that when she put this payment through again, she was shown a number of scam warnings and asked if she accepted the risk tied to this payment which Mrs E agreed to.

Revolut haven’t confirmed which options she selected when putting the payment through for the third time. But given that it was on notice that Mrs E was ‘being guided’ through the payments, and based on her recent account activity it ought to have done more to establish the circumstances behind making these payments. It would have known the payments were increasing in value in a short space of time, so by the third payment, the risk of financial harm had increased, and a pattern had begun to emerge that was consistent with fraud. At this point, I think it needed to do more to satisfy itself that the payments Mrs E was making, were not related to a scam.

So, by the third payment, Revolut ought to have gone further by attempting to make further enquiries about, not just about the purpose of the payments, but the context behind why they were being made. In such circumstances, it could have directed Mrs E to its in-app chat to discuss things further. This would have given Revolut the opportunity to probe why Mrs E told it she was being guided through the payments and allowed her to explain the recent suspicious activity on her account.

*If Revolut had discussed Payment 3 with Mrs E, would that have prevented the loss she suffered from that payment?*

I’ve carefully considered whether further enquiries from Revolut would have made a difference to Mrs E making further payments and I think it would have. Although Mrs E was being guided through the payment process, it’s clear she had concerns with the scammer each step of the way. It seems that she identified that she may be at risk if she continued talking to the scammer, so she had disconnected the call a few times. Therefore, if Revolut had asked questions around the circumstances of the payments it’s likely she would have highlighted her concerns. Revolut ought to have asked Mrs E for further context around why she was making multiple money transfers in quick succession. Although Mrs E was on the phone to the scammer, and there may have been some coaching from him, I don’t think Mrs E would have dishonestly answered direct questions from Revolut given her concerns.

Had Revolut made such enquiries, I think this would have created some space for her to think carefully about the payments she was making and the purpose behind doing so. Furthermore, she would not be able to simply ignore the questions from Revolut in the in-app chat, as she would have needed to engage with it in order to go ahead with the payment she was making. So, I’m satisfied that she would have revealed she was speaking to her bank and was moving her money to a new safe account with the bank, due to a fraud risk on her account. Given the prevalence of safe account scams, Revolut would know that no firm would tell a customer to move funds to a ‘new safe account’ as a result of fraud on the account, and that this was a very strong indicator Mrs E was being scammed.

I’m mindful this was a ‘text-book’ safe account scam which Revolut could have uncovered through a suitable line of questioning. Had Revolut told Mrs E she was more likely than not talking to a scammer and advised her of some of the common features of safe account scams, many of which applied to her, I’m persuaded she likely would not have proceeded to make Payment 3 which would have prevented the further losses she suffered.

So, for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mrs E's loss from Payment 3 (subject to a deduction for Mrs's E own contribution which I will consider below).

*Should Mrs E bear some responsibility for the 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.

I recognise that, as a layperson, there were aspects to the scam that would have appeared convincing. I also appreciate that Mrs E was under pressure from the scammer to complete the payments, during a time where she was particularly tired from work and that this scam happened over a short period of time.

However, it's clear from the call that Mrs E *did* have significant doubts about what was happening during the process, and she questioned the scammers about some of the "red flags" that the Investigator identified, before she completed all the card payments from her account. She's told us she hung up on the scammer a number of times because she thought this was a scam, but the scammer kept calling back. Mrs E also chose to record some of her calls with the scammer because she felt the calls were suspicious. In one call Mrs E asked if she could move her funds from her bank to Revolut at a later time, suggesting she wasn't happy to do it at the time. She then decided to take the scammer's name and number. She was also asked for her card number. She questioned the scammer on why he would need this and highlighted that he could end up taking her money using this information. The scammer also read out the phone number on the back of her card, but it wasn't correct. Mrs E questioned the scammer on why he had a different number. Mrs E has also told us she questioned why the scammer was calling from a private number. It's clear that she had significant concerns that she wasn't dealing with a genuine representative from her bank and that she didn't trust what she was being told.

Furthermore, the scammer told her he was sending her funds to a "safe account", but she was authorising payments using various different payment channels. So, I do think she should have realised that something wasn't right about what she was being asked to do.

While there's no doubt that the manipulation from the scammer was very effective and Mrs E was being put under a lot of pressure, I can't ignore the fact that she clearly had some concerns but still went ahead with authorising the payments.

For the avoidance of doubt, it is not my finding that Mrs E knew that she was likely falling victim to a scam and went ahead anyway. Rather my finding is that she seems – to some extent – to have had concerns about making further payments. In those circumstances it would not be fair to require Revolut to compensate her for the full amount of her losses.

Taking all of the above into account I think that Revolut can fairly reduce the amount it pays to Mrs E because of her role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

I understand that Mrs E was experiencing some difficult circumstances at the time she fell victim to the scam and her mum was very ill at the time and has since passed away. I'm sorry to learn about this. But from what she's said, I don't think that this directly contributed to her falling victim to the scam.

*Could Revolut have done anything else to recover Mrs E's money?*

There are industry standards around attempting recovery of funds where a scam is reported.

But the payments here were made with Mrs E's debit card and so couldn't be recalled or stopped.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. I can see that Revolut advised Mrs E to submit a chargeback request to it for the payments, but it decided not to take this forward as she had authorised the payments in its app.

I don't think this was unreasonable, because I agree with Revolut that chargeback claims against a money transfer company or a genuine third-party business for any of the possible chargeback reasons would not have had a reasonable prospect of succeeding here. This is because the organisations provided the service that Miss D had paid for. So, although Revolut didn't attempt the chargeback claims, I don't think this made a difference to the outcome.

### Interest

Mrs E has been deprived of the use of her funds on Payment 3, 4 and 5. So, Revolut should pay 8% simple interest yearly to the 50% refund on these transactions (calculated from the date of the transactions until the date of settlement). She may have used these funds in a variety of different ways if they had remained available to her. I think 8% simple is a fair interest rate in these circumstances.

### **My final decision**

For the reasons given above, I uphold in part this complaint and require Revolut Ltd to pay Mrs E:

- 50% of payments 3, 4 and 5 – a total of £2,001.99
- 8% simple interest per year on that amount from the date of each payment to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 19 June 2025.

Aleya Khanom  
**Ombudsman**