

The complaint

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

What happened

In December 2023, Miss M received a call from someone who said they worked for another bank she held an account with. The caller said they had identified a suspicious transaction on her account and that she would shortly receive a call from the fraud department. And Miss M then received a call from someone who said they worked at the fraud department at the other bank, and told her she should move her money to a different account to keep it safe.

Miss M transferred the funds from her account with the other bank to her Revolut account. And the caller then told her she needed to send the funds on as insurance to keep it safe, and asked her to approve a number of payments out of her Revolut account – which Miss M did.

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

Date	Amount
21 December 2023	£4,850
21 December 2023	£4,580
21 December 2023	£4,200

Unfortunately, we now know the caller was a scammer. Miss M realised it was a scam when her money wasn't returned to her as the caller said it would be. She then reported the payments to Revolut and asked it to refund the money she had lost.

Revolut investigated but said it had shown Miss M sufficient warnings before the payments were made and done all it could to recover the money she lost. So it didn't agree to refund the payments. Miss M 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 acted faster once the scam was reported. So they recommended Revolut refund the money Miss M had lost. 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 December 2023 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 M'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 M 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 M reported the scam, Revolut had the key details it would need to contact the receiving bank by around 23:30 on 21 December 2023. But it didn't then contact the receiving bank to try to recover Miss M's funds until 01:47 the following day, which is significantly more than one hour later.

Revolut has argued that it was still gathering evidence from Miss M at this point, and that it is unreasonable to expect it to initiate recovery without first confirming the legitimacy of any fraud claim. But, while I appreciate Revolut is entitled to validate the legitimacy of any claim before initiating recovery, I think it had enough information from Miss M to do so by this point. And, particularly when time is of the essence and the chances of recovery are greatly increased by prompt action at this stage, I don't think it is reasonable to require customers to provide full evidence of the circumstances before taking action. I think Revolut had the key details and enough information to contact the receiving bank by around 23:00 on 21 December 2023, and so should have done so at that point.

We've not been able to get evidence from the receiving bank about when the funds Miss M sent were subsequently transferred out of the account they were sent to. And I appreciate that scammers will often remove funds from account they are sent to soon after they are received. But as Miss M reported the scam immediately, the same day as the payments she made, 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 M made were sent to more quickly, as I think it should have done, the loss Miss M suffered could have been prevented. And so I think it would be fair for Revolut to now refund Miss M the loss she suffered as a result of this scam.

Revolut has suggested Miss M acted negligently in not carrying out more checks on the legitimacy of the calls she received before making the payments. But, regardless of how

reasonable Miss M'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 don't think it would be fair to apply any reduction to the refund I think Revolut should make here.

So I still think Revolut should refund the loss Miss M suffered as a result of this scam.

My final decision

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

- Refund Miss M the loss she suffered as a result of this scam – totalling £13,630
- Pay Miss M 8% simple interest per year, calculated from the date she reported the scam (21 December 2023) to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 8 August 2025.

Alan Millward
Ombudsman