

## **The complaint**

Miss R has complained that Revolut Ltd (“Revolut”) failed to protect her from falling victim to an impersonation scam and hasn’t refunded the money she lost.

## **What happened**

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Miss R has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Miss R, but I’d like to reassure Miss R and her representative that I’ve considered everything both parties have said.

Miss R has explained that in April 2024 she received several calls from individuals (“the scammers”) posing as fraud teams from two banks. The scammers claimed there had been attempts to withdraw funds from her account and that her phone had been hacked. Miss R says the scammers told her that her personal data had been compromised, putting her at risk of identity theft and fraudulent loan applications in her name. Miss R linked this incident to a scam involving a fake Royal Mail redelivery text message she had received and acted on a week earlier.

The scammers told Miss R in order to protect her money she should transfer it to her Revolut account for safety while they worked to stop further unauthorised transactions. She’s further explained that the scammers told her they’d close her compromised account and open a new one with a different sort code and account number. They also suggested disguising the transfer by using a manager’s name, which they said would be changed later. Throughout the call, Miss R says she was in contact with her mother and partner whilst the scammers claimed they were also liaising with her other banks to ensure all of her accounts were protected.

The scammers told Miss R how to report the previous Royal Mail text scam to Action Fraud. They also claimed to be senior managers from one of the banks and said that due to the high risk of her old accounts being tracked, her banking details would be automatically updated at midnight. They assured her that her new account’s temporary naming was a precaution and would be corrected later.

Miss R has explained that the scammers’ manner reassured her, as they spoke clearly, knew banks’ security processes in detail, and calmed her down when she became distressed about the supposed data breach. She’s described how they created a sense of urgency, making her believe her phone had been hacked and her financial information was at immediate risk.

Miss R says that at one stage she attempted to make a bank transfer of £2,499.99 for “services,” which Revolut flagged as suspicious. But when the payment was blocked the scammer explained that urgent action was needed because this was a “level 2” data breach. Miss R says the scammer told her to cancel the transaction and process it another

way, as different protocols applied in such circumstances. Revolut then allowed the payment of £2,499.99 to go through as a debit card payment.

The payments relevant to this scam are as follows:

Date	Amount	Description
6 April 2024	£4,000	Bank transfer to scammer
7 April 2024	£2,499.99	Debit card payment
<b>Total</b>	<b>£6,499.99</b>	

Miss R says she questioned some of the scammers' requests while making the payments but they provided explanations that seemed reasonable. They told her they were following special fraud department procedures, which reinforced the impression that they were legitimate. As she believed their explanations Miss R followed the scammers' instructions. She says she felt panicked and overwhelmed, particularly at the thought that her sensitive documents, including her passport and driving licence, had been compromised.

After ending the call, Miss R discussed what had happened with her partner and realised she'd been the victim of a scam.

Miss R reported the scam to Revolut using its in-app chat facility on the same day as she discovered it. Revolut says at that point it attempted recovery from the beneficiary banks but after it had attempted to make contact several times, to no avail, it accepted the funds were irrecoverable and told Miss R.

Miss R then made a complaint to Revolut on the basis that it clearly had concerns about the suspicious activity on her account as it intervened for one of the payments, but it then proceeded to approve the same payment without further questioning. She says that if Revolut had questioned her at that point it would've immediately uncovered the scam.

Revolut didn't uphold Miss R's complaint and in its response it said that it had shown Miss R sufficient warnings when she made the first payment, but she decided to proceed with it regardless. In relation to the debit card transaction, Revolut said that as Miss R had approved the payment it wasn't liable to refund it.

Miss R remained unhappy so she referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he thought Revolut's interventions were proportionate and as Miss R hadn't given accurate information about the reason for the first payment, Revolut wasn't able to detect the scam. And he didn't think it was unreasonable for Revolut to process payment two without intervening.

As Miss R didn't accept the investigator's opinion, the case has been passed to me to make 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.

I'm sorry to disappoint Miss R but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Miss R authorised these payments from leaving her account. It's accepted by all parties that Miss R gave the instructions to Revolut and Revolut made the payments in line with those instructions, and in line with the terms and conditions of Miss R's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

*Should Revolut have intervened, and if so, how?*

I've carefully considered all of the circumstances surrounding the payments related to this scam. I've kept in mind that Revolut's primary duty is to make the payments that its customers instruct it to; but it also needs to pay attention to its obligation to protect its customers from financial harm, as far as reasonably possible.

Having firstly reviewed Miss R's prior account history, I can see that Miss R had been using her Revolut for several years before the scam took place, although it doesn't appear to be her main bank account. The majority of payments are fairly low, and rarely exceed a few hundred pounds, but she made two large payments of almost £3,400 and £3,500 in September 2023 and one for £1,000 in March 2024. With this in mind I think it's fair to say that, to some extent, it's normal for Miss R to make large payments from her account.

Despite this I've also kept in mind that the payment in question was made to a new payee, and it was for a substantial value of £4,000 and it followed two large credits (on the same day) which were completely depleted by the outgoing payment. Whilst I appreciate that some of Revolut's customers use their accounts to make large one-off payments as opposed to using them as day-to-day bank accounts, I think all of the characteristics combined ought to have put Revolut on alert that Miss R might've been at risk of harm. I therefore think it would've been proportionate for Revolut to provide Miss R with a written warning, broadly covering scam risks.

I say this because whilst I think Revolut ought to have introduced some level of friction into the payment journey from the first payment, it also needs to balance this with ensuring its customers can carry out their transactions without undue delay. And whilst there are some signs of risk presented by the first payment, given the prior activity on Miss R's account, I don't think it was evident that Miss R was definitely being scammed.

The second payment was made later on the same day and was for a lower value than payment one. Revolut says it initially blocked an electronic payment and asked Miss R to speak to one of its agents using the in-app chat facility. At that point, on instruction of the scammer, Miss R chose to cancel the payment. She then gave the scammer her debit card details in order that the payment could be made in that way.

I think it would've been proportionate for Revolut to again show Miss R a general scam warning before allowing the debit card payment to be made. I say this because whilst the value of the payment was lower than that of payment one, it was made just over an hour later, and within 15 minutes of the payment of around the same value that Revolut had blocked for further fraud checks. In addition, the payment almost completely depleted Miss R's account balance, which is a feature commonly seen in scams, that I'd have expected Revolut to be alive to.

### What did Revolut do to intervene before the payments were made?

Revolut says that for the first payment, which was being sent to a newly created payee, it firstly showed Miss R a general scam-related warning. This warning said *“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”*. Miss R acknowledged this warning and she was then shown another screen saying *“Something doesn’t look right. Your transaction has been flagged as a potential scam. To continue, we need to ask you some questions”*.

Revolut then asked Miss R a series of questions about the payment, and it has provided a copy of the questions it asked and the answers Miss R gave. I note Miss R told Revolut she was making the payment to *“Buy goods or services”* and elaborated that this was a *“Car”*. She also told Revolut *“Yes I know/have met the seller”* and *“Yes I have seen the item in person”*.

Revolut says it then showed Miss R a series of educational warning screens related to the payment purpose she’d disclosed. These screens included messages such as *“This could be a purchase scam”*, *“Be wary of bargains”* and *“Research the seller”*.

Following these screens Miss R was given the option to continue or cancel the payment and required to type her full name in a risk agreement, acknowledging that Revolut had warned her about the risks of losing her money.

Turning to payment two, Miss R was presented with a “3D Secure” authentication pop-up message before the transaction was authorised, which Miss R had to approve before the payment was released. I note from an example of the pop-up message it would’ve shown the name of the merchant being paid, the value of the payment, and the debit card being used.

Miss R approved the payment using the pop-up and it was released without further question or intervention by Revolut.

Miss R attempted to make payment two as a bank transfer before the card payment, but this wasn’t successful. I can see that Revolut asked Miss R a series of questions about the bank transfer and she told it she was *“Paying a family member or friend”* and gave further details of *“Paying back for something they purchased on my behalf”*. She also told Revolut she’d been given the bank details of the payee *“Face to face”* and that *“no, I am not being assisted through this questionnaire”*.

### Were Revolut’s interventions proportionate?

I’m satisfied that Revolut’s intervention for payment one was proportionate. Given the payment was to a new payee, and the fact that it was for a higher amount than seen previously on Miss R’s account, I’d have expected Revolut to show Miss R a general scam warning as a minimum. But Revolut went further than this by providing a general scam warning, a second warning, asking further questions, and finally providing series of purpose-specific warnings to maximise the chances of them being effective. Although these interventions were unfortunately not successful owing to the way Miss R answered Revolut’s questions, I don’t hold Revolut responsible for that.

Whilst there’s an argument to say that Revolut could’ve done more to intervene before payment two was made, in this instance, I don’t think that made a difference to the outcome for Miss R.

It appears that Miss R was being coached by the scammer on how to respond to Revolut, and this is evidenced through the answers she gave when asked about the purpose of payment one, as well as by the scammer's efforts to circumvent Revolut's fraud detection systems by persuading Miss R to cancel the second bank transfer and make a debit card payment instead. Whilst I am in no way blaming Miss R for falling victim to the scam, or for the way she was manipulated by the scammer, I'm satisfied based on what I've seen that further intervention by Revolut would likely have been unsuccessful.

I say this because I think it's more likely than not that if Revolut had asked Miss R for further information about the payment, or given further warnings, she'd likely have referred these to the scammer on the belief that the guidance they were giving her was in her best interest, rather than to enable the scam to continue. Miss R explained in her complaint, with evidence, that she was on the phone to the scammers for over four hours whilst the scam payments were taking place. She's described how they persuaded her they were genuine and guided her on where to make payments to, which she believed, and followed. So the payment would likely still have been made no matter what Revolut had done – apart from completely declining it – which I wouldn't have expected Revolut to do.

I do also note that the card transaction was made to what would've appeared to Revolut as a genuine retailer, which in this case appears to have been a retail outlet. So in the absence of an obvious reason for Revolut to identify the payment as fraudulent, I don't think it was wrong for it to allow the payment to be processed, on the basis that it had been made by Miss R, and confirmed in the Revolut app using 3D Secure, where she was able to see the name of the merchant (which I note was not her own name) before approval.

I've seen Miss R's representative's comments that Revolut ought to have been concerned about payment two as it was made on the same day as the first payment. Whilst I agree to some extent, it's important to keep in mind that there was nothing to suggest to Revolut that payments one and two were linked; they were made in different ways, and to different payees. Also, as I've set out above, I'm not persuaded any form of intervention would've stopped the payment from being made, owing to the sophistication of the scam, Miss R's belief it was genuine, and the scammer's participation throughout the ordeal. Miss R misled Revolut on several occasions despite having the chance to disclose the true reasons for the payments, and Revolut was entitled to rely on the information she gave it.

With the above in mind I don't hold Revolut responsible for what Miss R unfortunately lost as part of this scam.

### Recovery of the funds

Revolut says that it contacted the receiving bank for the payment Miss R made, but after several attempts it didn't receive a response. So it said despite its best efforts it wasn't able to recover what Miss R lost.

In relation to the debit card payment, the chargeback process is relevant.

Revolut raised a chargeback on the grounds of fraud, but the chargeback was unsuccessful as it was satisfied that Miss R had authorised the payment, albeit that she later found out it was related to a scam. Whilst I understand it'll be disappointing for Miss R to hear, I'm satisfied that Revolut did what it needed to here. Chargebacks don't cover authorised payment scams, and for that reason, they're not a mechanism for a consumer to recover the funds they've lost as part of a scam.

I can certainly understand how distressing this scam must've been for Miss R, especially given the extended periods of time she was kept on the phone by the scammers. Whilst I'm

very sorry that Miss R fell victim to the scam, I haven't concluded that it was due to Revolut's action, or inaction, that the scam took place without being uncovered. So I don't require Revolut to put anything right by refunding what Miss R unfortunately lost.

**My final decision**

I don't uphold Miss R's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 7 April 2025.

Sam Wade  
**Ombudsman**