

The complaint

Miss I complains that Revolut Ltd won't refund her the money she lost in a safe account scam.

What happened

The circumstances surrounding this complaint are well known to both parties, so I'll summarise what I consider to be the key points.

On 4 May 2024, Miss I received a call purporting to be from Revolut and seemingly from a number she recognised as belonging to Revolut. She was told her account was under threat and someone was attempting to make fraudulent transactions using her account details. The caller said he would open new accounts and Miss I should transfer her money from her existing Revolut account to the new "safe" accounts.

Miss I was persuaded the caller was genuine, due to his seeming knowledge of Revolut systems and processes and so she made the following payments:

Transaction	Date and Time	Amount	Payment type
1	04/05/2024 11:05:55	£16,195	Transfer
2	04/05/2024 12:24:51	£8,805	Transfer
3	04/05/2024 12:32:35	£13,330	Transfer
4	04/05/2024 12:52:01	£7,850	Transfer

Miss I started to become suspicious, so she called Revolut directly around 14:00 on 4 May 2024. It was at this point that Revolut advised Miss I it thought she had been the victim of a scam.

Revolut contacted the beneficiary banks, around two hours later, to start recovery action and ultimately £15,764.51 was recovered and returned to Miss I.

Miss I says Revolut didn't take sufficient steps to protect her. She says Revolut should have blocked her account completely, due to the suspicious activity on her account and considers that other banks would have taken such action. She was thrown off-guard by the scammers, who created a sense of urgency and caused her to panic. While she did receive some warnings from Revolut, she was under the influence of the scammer, who was convincing. The scammer coached Miss I on how to answer Revolut's questions. However, she had thought he was working for Revolut because he had a detailed knowledge of all the questions that would be asked. At no stage during the in-app conversations with Revolut did she say anything that wasn't factually accurate. She doesn't recall being asked probing questions by Revolut. If Revolut had acted sooner, after she first told it of her suspicions, her

money could have been protected. She is disappointed with the banks her money was sent to, as she thinks they didn't act quickly enough.

Revolut says all the payments were authorised by Miss I. She was provided with a number of warnings on each transaction. It considers Miss I didn't exercise due diligence when dealing with the scammer and questions why she thought what she was being told was legitimate. It also says she acted with gross negligence by ignoring Revolut's scam warnings. It blocked payments 3 and 4 and asked Miss I further questions about those transactions. Miss I didn't provide it with accurate answers - for example in response to its questions about the reason for the payments, she told Revolut one transaction was for a car purchase and the other was to transfer money to an existing account. As Miss I wasn't honest with it, it doesn't think it could have prevented her losses.

In terms of recovery, Revolut says it contacted the beneficiary banks on 4 May 2024 and was able to recover some of Miss I's money. It attempts recoveries on a best endeavours basis and it was not possible to recover further amounts.

Our investigator didn't uphold Miss I's complaint. He considered the payments were out of character for Miss I's account and so Revolut ought reasonably to have intervened in the transactions. He noted that Revolut had intervened in the transactions, and he thought that its interventions were proportionate in all the circumstances. In particular, he thought the questions Revolut asked Miss I and the risk warnings provided were suitable and relevant to the scam she was falling victim to. While he thought there was an argument that Revolut could have intervened further, he didn't consider it would have made any difference due to the answers Miss I had given Revolut when it asked her questions about the payments.

And while he thought Revolut could have raised refund requests faster than it did, he didn't think this would have ultimately made a difference to the amount recovered, due to the speed with which the scammers moved Miss I's money.

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 in May 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 – (as in practice Revolut sometimes does including in relation to card payments);
- 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.

Having considered everything, I'm not persuaded that Miss I's complaint should be upheld.

The payments were out of character for Miss I's account and sufficiently unusual that I consider Revolut ought to have intervened. Each of the transactions was much larger than any previous transaction in the last six months and they took place in quick succession, on the same day, to newly created payees. The first transaction was sufficiently large and out of character, despite being the first transaction, that I consider Revolut should have sent an automated warning designed to narrow down the scam risks and provide a tailored written warning to Miss I. But, while Revolut didn't send such a warning for the first transaction, overall, I agree with the investigator that further or better intervention in this series of transactions by Revolut is unlikely to have prevented Miss I's loss as I will explain.

Revolut sent warnings each time a payment was made. For transaction 1, this was a confirmation of payee mismatch warning, warning her that the payee account name and account number were not a match. This was followed by a new payee warning, which said:

"Review transfer.

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."

On some of the transactions, Revolut paused the payments and asked Miss I some further questions about the payments. For payment 3, Revolut says there was a confirmation of payee mismatch again and a warning was sent telling Miss I that the account name and number did not match. But Miss I wanted to proceed. Revolut asked her the payment purpose and provided a list of options to choose from. Miss I appears to have selected "buy or rent goods or services" and when asked for further detail, she told Revolut she was buying a car. She was asked about the price and selected the option that it was "averagely priced to more expensive than usual". Further questions were asked, and Miss I answered that she had met the seller and seen the car in person. She was provided with warnings about purchase scams that were appropriate to the payment purpose she selected.

Whilst Miss I says she cannot recall these questions or answers, I have no particular reason to doubt Revolut's records on this point. I note too that Miss I also says the scammer coached her how to answer Revolut's questions, which suggests to me that the answers Miss I was told to provide are unlikely to have been accurate.

In relation to transaction four, Revolut says Miss I answered that she was transferring money to another of her accounts. I'm satisfied she would have believed that to be true at the time. But Revolut also asked her whether she had been told her account wasn't safe. She appears to have replied "No, I was not told my account is not safe". Clearly, she had been told her account was not safe and that was the whole reason for her making the payment.

On balance, I consider it likely that Revolut did ask these questions, and that Miss I didn't

answer accurately, because she was being coached by the scammer, as she says. I consider Revolut asked questions that were probing and relevant, particularly whether she had been told her account wasn't safe, which is exactly the scam she was falling victim to.

Miss I was asked suitably probing questions that attempted to identify the particular scam risk she was facing and she was provided with warnings that were relevant to her situation. But she believed the scammer was genuine and was prepared to follow their guidance, despite being asked to provide inaccurate answers to Revolut. Because of this, I consider it likely any further or better intervention by Revolut in any of the other transactions is unlikely to have prevented Miss I's loss. I think she was taken-in by the scammer to such an extent that it's unlikely different questions or warnings would have had an impact, particularly given that some of the questions she was asked were directly relevant to her situation, such as the question about whether she had been told her account wasn't safe.

I understand that Miss I has been the victim of a cruel and sophisticated scam. I can also understand how she might have believed the scammer was genuinely working for Revolut, given her comments that the scammer seemed to have an excellent understanding of the questions she would be asked and the process she would need to follow. It also appears the scammers may have been able to simulate a telephone number used by Revolut to make it appear that calls and texts from the scammers were from Revolut. I can well imagine that Miss I would have panicked when she was told her account was being targeted by fraudsters and that they would have created a sense of urgency for her to act. But even though Miss I is an innocent victim, that doesn't necessarily mean Revolut is responsible for her loss. I need to consider whether Revolut was at fault.

While Miss I says Revolut ought to have blocked her account completely, I consider that Revolut's actions, in intervening, blocking individual payments, asking probing questions and providing warnings, was a proportionate approach. Had Miss I not been so convinced by the scammer and had she answered Revolut's questions openly, particularly those around payment purpose and whether she had been told to move money to a safe account, I consider it likely the scam would have been uncovered by Revolut. On that basis, I don't consider Revolut failed by not completely blocking the account.

Recovery

Miss I says Revolut could have acted sooner after she told it she suspected she had been the victim of fraud. It appears there was a delay of around two hours between Miss I informing Revolut about the scam and Revolut contacting the beneficiary banks to attempt to recover her money. A significant amount of money was recovered, amounting to £15,764.51, over a third of the total value of the payments.

But having looked at the information provided to me by the beneficiary banks and Revolut, it appears that the money Miss I sent from her Revolut account was very quickly moved on from the accounts with the beneficiary banks. For each payment, the scammers moved Miss I's money out of the beneficiary accounts before she contacted Revolut to report the scam, so it seems unlikely quicker action by Revolut would have led to a larger recovery.

My final decision

I don't uphold Miss I's complaint.

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

Greg Barham
Ombudsman