

## The complaint

Mr P complains that Revolut Ltd ('Revolut') won't refund the money that was lost to a scam. He also complains about the service received once the matter was reported.

He is joined in this complaint by his partner ('Miss T'). As I'll set out, Miss T was involved in the earlier stages of the scam and when it progressed to Mr P's account, so I'll be referring to her also throughout this decision.

## What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Mr P and Miss T say:

- A work colleague of Miss T fell victim to a phishing scam and was led to believe her devices had been hacked and her accounts at risk. This included a business account on which Miss T was the named holder. As a result, the scammer was passed on to Miss T. A fake 'authentication' code was first sent to her mobile apparently to demonstrate the identity of the 'advisor' she'd be speaking to. She was then called by a scammer claiming to be from Revolut's fraud team working with the Financial Conduct Authority. And was led to believe they'd be helping her to keep the account safe from the fraudsters.
- Several calls were held with the scammer over a period of seven hours in total, on 10 November 2023. The initial calls were from a number listed on Revolut's website (a tactic known as 'spoofing') and resulted in the scam activities carried out on the business account. To make the scam more convincing, the fake 'authentication code' had also been made to appear in the same thread as genuine messages from Revolut.
- Later calls were from an unknown number. By that point Miss T had been passed on to another 'adviser' (also a scammer) who told her other personal accounts may be at risk. She was told her funds would be more secure with Revolut. As part of that interaction, she was persuaded to transfer £8,900 from her sole account with her personal bank ('D') to Mr P's Revolut account. Although this account belonged to Mr P, they both had joint access to it (including the use of physical debit cards) and funded it for daily expenses.
- Mr P was made aware of what was happening when he returned home at 18:30. At that point, Miss T told him fraudsters were attempting to steal money and that she'd been on the phone with 'specialists' helping her to resolve the issue. He wasn't confident at first in what Miss T was being told to do, but his concerns were temporarily alleviated when he was shown the spoofed 'authentication' code.
- They then proceeded to make a payment of £9,000 from Mr P's account to an account they were led to believe was a new 'safe account' with Revolut that had been set up in Mr P's name. When Mr P and Miss T asked why the name on the new account didn't match, they were told it was still to be activated and to ignore all pop-up messages as they needed to trick the real scammers. Further attempts by the scammer to steal money they held in investments failed as, at this point, Mr P and Miss T had asked for time to reflect. Shortly after they were called by Miss T's colleague confirming it was a scam.

The scam was reported to Revolut on 10 November 2023. A complaint was then raised and referred to our Service. Our Investigator considered it and didn't uphold it. In summary, she concluded that, even if she had found Revolut ought to have intervened on suspicion of fraud, she couldn't recommend an award given most of the lost funds didn't belong to Mr P, as the Revolut account holder.

As the matter couldn't be resolved informally it's been passed to me to decide.

### **Provisional decision**

I issued my provisional decision to both parties on 20 December 2024. The background to the complaint was set out as above. I said I intended to uphold this complaint and I gave the following reasons:

*In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.*

#### Authorisation

*I've considered whether the payment should be treated as authorised, in line with the relevant regulations – the Payment Services Regulations 2017 (PSRs). This is important as Mr P would generally be liable for authorised payments and Revolut for unauthorised ones. And, as set out in the PSRs, a payment would broadly be deemed as authorised if the account holder consented to it or gave their consent for someone else to make it.*

*In this case, Mr P is the account holder. He either gave Miss T apparent authority to carry out the transaction (given the way they say the account was used) or he was involved and aware of what was happening when the transaction was made. In their submissions to our Service, Mr P and Miss T maintain Mr P was "present and engaged" when the scam activity took place and was "present and actively involved in addressing the situation." They accept he saw the payment screens before the payment was released and that they were given the new account details to use when sending the money.*

*As I'm persuaded Mr P was involved and understood the payment would be leaving his account, under the PSRs the transaction would be deemed as authorised. So, the starting position is Mr P is considered liable for any losses arising from the payment. It's important for me to say that when it comes to authorisation, the PSRs don't make a distinction between payments made with full knowledge and those made under deception.*

#### Prevention

*In broad terms, the starting position at law is that an Electronic Money Institution ('EMI') such as Revolut was expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs (in this case the 2017 regulations) and the terms and conditions of the customer's account. And, as the Supreme Court reiterated in Philipp v Barclays Bank UK PLC, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.*

*In that case, the court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:*

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must*

*carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.*

- *At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In Philipp, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction wasn't the same as being under a legal duty to do so.*

*In this case, the terms of Revolut's contract with Mr P modified the starting position described in Philipp, by expressly requiring Revolut to refuse or delay a payment "if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks".*

*So Revolut was required by the implied terms of its contract with Mr P and the PSRs to carry out their instructions promptly, except in the circumstances set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.*

*Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly did not in any event mean Revolut was required to carry out the payments immediately<sup>1</sup>. Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment. And I'm satisfied, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time that, by November 2023, it should fairly and reasonably have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances (irrespective of whether it was also required by the express terms of its contract to do so).*

*In reaching the view that Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances, I'm mindful that in practice all banks and EMIs do in fact seek to take those steps, often by:*

- *using algorithms to identify transactions presenting an increased risk of fraud;<sup>2</sup>*
- *requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;*
- *using the confirmation of payee system for authorised push payments;*
- *providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.*

*In reaching my conclusions about what Revolut ought fairly and reasonably to have done, I'm also mindful that:*

- *EMIs (like Revolut) are required to conduct their business with "due skill, care and diligence" (FCA Principle for Businesses 2), "integrity" (FCA Principle for Businesses 1)*

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<sup>1</sup> The Payment Services Regulation 2017 Reg. 86(1) states that "the payer's payment service provider must ensure that the amount of the payment transaction is credited to the payee's payment service provider's account **by the end of the business day following the time of receipt of the payment order**" (emphasis added).

<sup>2</sup> For example, Revolut's website explains it launched an automated anti-fraud system in August 2018:

[https://www.revolut.com/news/revolut\\_unveils\\_new\\_fleet\\_of\\_machine\\_learning\\_technology\\_that\\_has\\_seen\\_a\\_fourfold\\_reduction\\_in\\_card\\_fraud\\_and\\_had\\_offers\\_from\\_banks/](https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/)

and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3).

- Over the years, the FCA, and its predecessor the FSA, published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the “Financial crime: a guide for firms”.
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken in the course of the relationship). I don’t suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut’s obligation to monitor its customer’s accounts and scrutinise transactions.
- The October 2017, BSI Code<sup>3</sup>, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions (particularly unusual or out of character transactions) that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (Revolut wasn’t a signatory), but the standards/expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).
- Since 31 July 2023, under the FCA’s Consumer Duty<sup>4</sup>, regulated firms (like Revolut) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was “consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”<sup>5</sup>.

To summarise, 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 November 2023 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;

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<sup>3</sup> BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

<sup>4</sup> Prior to the Consumer Duty, FCA regulated firms were required to “pay due regard to the interests of its customers and treat them fairly.” (FCA Principle for Businesses 6). As from 31 July 2023 the Consumer Duty applies to all open products and services.

<sup>5</sup> The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23)

- 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).

Should Revolut have recognised the risk of financial harm from fraud?

As noted above, the starting position is that Revolut is expected to process payments and withdrawals that a customer authorises it to make. But that's not the end of the matter.

Taking account of what Revolut knew about the payment, and looking at the operation of the account, I'm satisfied the transfer was unusual enough, when compared to the previous account activity, for Revolut to have intervened on suspicion there was a risk of financial harm from fraud. The account had been opened for some years, so Revolut had material account history on which to assess the level of payment risk. The transfer itself was for a significantly large amount. It was significantly larger than any other transaction in the 12-months prior (with no single payment exceeding £2,000). It was also to a new payee.

So, I think Revolut ought to have intervened in these circumstances on the basis that the payment presented a heightened risk of financial harm. And I note Revolut did, in fact, identify that the payment presented a risk. It took steps to establish if it was possibly scam related. I've therefore considered if its intervention was proportionate in light of that risk.

What did Revolut do to warn Mr P and was that proportionate in the circumstances?

Revolut says it showed a warning when the new beneficiary was added. It says the payment was not allowed to proceed until Mr P acknowledged he knew the payee and the risks of sending funds to unknown individuals. It also says it then asked a series of questions which I've set out below (with the responses it received in brackets):

"Please answer truthfully

If you're being scammed, the fraudster may ask you to hide the real reason for this payment (I understand)

Is anyone telling you how to answer these questions? Is someone telling you which options to choose or telling you this is urgent? (No, I'm not being assisted through this questionnaire)

Why are you making this transfer? We'll only use this information to help protect your account (something else)

Select the option that best applies. This helps us identify your level of risk (personal reason)

Were you told which option to select? If someone is guiding you through this process it could be a scammer (No, I'm selecting on my own accord)

Were you told your account isn't safe? Fraudsters will lie to victims, telling them their account is no longer safe and that they need to move their funds to another account (No, I was not told my account isn't safe)

Have you been asked to install software? Scammers might ask you to install software... (No, I was not asked to instal any software)

Have you been told to ignore these warnings? If someone is telling you to ignore our warnings, it's likely a scammer (No, I've not been told to ignore warnings)"

Revolut says that, after this questionnaire, warnings were shown over a series of screens which allowed the opportunity to pause and reflect on the transfer. It says that, in addition to ignoring the warnings, the false information Mr P and Miss T had given in the questionnaire

*prevented it from assessing the situation correctly and providing an appropriate intervention. It also says this shows a degree of carelessness and that under the new reimbursement rules, it'd be exempted to provide a refund where the customer acted with gross negligence.*

*I don't discount the warnings Revolut provided. But it's still necessary to consider what a proportionate response to the risk presented should have been in the circumstances.*

*In doing so, I recognise many payments that look similar to this one will be genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time.*

*But, again when thinking about the level of risk presented – namely the payment amount compared to the activity on an account that had typically been used for much lower-value spending and factoring-in the set-up of a new payee – I think a proportionate response to that risk would have been for Revolut to have gone beyond asking a series of questions in the payment flow and providing automated warnings. In my view, it should have done more to establish the potential risk of this transfer through a direct human intervention by one of its agents to discuss the situation in more detail (for example, through its in-app chat).*

*Would such an intervention (as I've described) have prevented the loss?*

*To reiterate, I accept Revolut took some steps to establish the potential risk involved through its questionnaire and I don't discount the warnings it provided. But I don't think that was enough here. And, in my view, if it had attempted to establish the potential risk through a human intervention, there would have been a natural opportunity for Revolut to find out more about the wider circumstances of the payment and to probe further on the answers received.*

*I've thought carefully about Mr P and Miss T's comments that they were guided by the scammer when answering the automated questions. I'm mindful they say they deliberated and felt "uneasy" and "confused" about having to select options that were inconsistent with the truth. I realise this shows awareness of the warning content which included information that was relevant to their situation. I also don't rule out the possibility they might have been coached by the scammer (while on the phone) through a human intervention and so may have been guided to be untruthful about what was going on if questioned in an in-app chat.*

*But I think it's necessary to weigh all this up with the following considerations.*

*To start with, Mr P and Miss T say they moved past the automated warnings because they believed they were speaking with Revolut in the first place. They were told (by who they trusted was a real Revolut adviser) to ignore pop-ups as this was part of the process to stop the 'hackers' from stealing funds. I don't get the impression they intended to deceive Revolut deliberately. They thought they'd been "hacked" and there was "malware". There's little to suggest they'd been made to think the 'hackers' were somehow linked to Revolut, or that they had any mistrust in Revolut itself. This context doesn't lead me to conclude it's more likely they'd have been dishonest in direct contact with a real Revolut adviser. They'd not been prepared or given a reason to do so at that point and had nothing to gain from that.*

*In addition, had a human intervention happened in the way I'd expect, the agent would have required more details about what was happening. I'd have expected them to probe further than the automated questions did on things like the 'personal reasons' for the payment. The agent could have probed on how they knew the payee and details of the recipient account. In this scenario, it's no longer a case of them being guided through pop-up screens. I again acknowledge the possibility of the scammer coaching them through an in-app chat as not to raise suspicion. But as I've said, by that point, Mr P and Miss T had concerns about what they were being asked to do. They say it took over 15 minutes to make the payment as they*

*deliberated over the replies they were told to give to automated questions. I think it's likely if the scammer had asked them to mislead further, and now directly to a 'live' agent, then this would have added to their concerns about the actions they were being asked to take.*

*I also consider it would have been natural for Mr P and Miss T to have paid closer attention to direct human contact from a live Revolut adviser. And, in the course of an effective human interaction, I think it would have likely come to light, for example, that the money was not, as they'd been tricked into believing, actually being sent to another Revolut account in Mr P's name – but externally to another bank.*

*Ultimately, Revolut didn't intervene in the way I'd expect and I can't know for certain how things would have played out. But, on balance, I'm persuaded a human intervention would have been more effective and enough to tip Mr P and Miss T into realising something was very wrong and to break the spell. This is especially given their concerns about what they were asked to do by that point; the additional untruths that would have been required (and without raising suspicion) for the payment to be released; and the kind of information that would have come to light (such as destination of funds) which they would have realised was inconsistent with what they'd been told was happening by the scammer.*

*Is it fair and reasonable for Revolut to be held responsible for the loss?*

*In thinking about what's fair and reasonable, I've considered the events leading up to the payment, the extent of Mr P's involvement and how he too was brought into the scam. I've taken into account that most of the money that was lost was moved from Miss T's account with D, before it was sent to Mr P's Revolut account and then on from there.*

*I note the Investigator felt she couldn't make an award as most of the loss was not Mr P's as the account holder. But Miss T has joined this complaint. I'm satisfied she'll be aware of any award I make, albeit to Mr P (it'll be for them to decide how then to split it). And I'm also satisfied Revolut can fairly and reasonably be held liable for the loss in circumstances where, as I've found here, it should have done more to prevent the fraud.*

*Should Mr P bear any responsibility for the losses?*

*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 don't underestimate Mr P and Miss T's comments that the payment was made while in a state of stress and fear of money being lost. I've considered the level of manipulation involved and the sophisticated aspects in the way the scam was conducted, including the explanations they say they received from the scammer, the fake 'authentication' codes and spoofed texts and calls. At the same time, I can't overlook the significant red flags either.*

*In particular, Revolut did try to establish the payment risk and provided warnings in the payment flow that were relevant to the situation. I'm again mindful of Mr P and Miss T's explanation for moving past these. I appreciate they say they were assured by who they thought was an 'adviser' at Revolut that this was part of the plan to defeat the scammers.*

*But I still consider the warnings ought to have caused concern and led them to have acted more cautiously. Some warnings were specific to their situation. They cautioned about 'safe account' scams and that someone telling you to ignore the warnings is likely a scammer. These were warnings Mr P and Miss T contemplated. I think they ought to have resonated with them. I also think there was a degree of carelessness in them continuing to follow the scammer's instructions despite their unease when asked to provide false answers.*

*I note Mr P and Miss T's argument that the impact of the warnings was diluted as Revolut had shown similar warnings on genuine past payments. They suggest this shows Revolut's fraud detection systems are unreliable. But Revolut wouldn't have known for sure that the payment was being made to a scam. It can't reasonably be expected to intervene only on scam payments. In any event, this situation was different to the one example given of an intervention that happened days earlier during a shop purchase Mr P and Miss T knew they were making. And, as I've said above, I think there was an element of carelessness in them moving past warnings that were specific to the situation in question.*

*There was also a mis-match in the payee name which Mr P and Miss T identified. I think the explanation they were given (that the new account "still needed to be activated") warranted further scrutiny. They were also given the details of the account to send the money to. If they'd paused to check those details (as might reasonably be expected given the red flags, including the payee mis-match) they'd have seen the money was going to an external bank and realised the money was not staying with Revolut as they'd been told by the scammer.*

*All things considered, I think there was enough going on by the time of this payment for Mr P and Miss T to have acted more cautiously than they did. They could have, for example, done more to check independently of the scammer what they were being asked to do. And I think if they'd paused to reflect on the red flags (including Revolut's warnings) it's likely the scam would have been uncovered and loss prevented. In the circumstances, weighing up the role both parties to the case played in what happened, I think liability for the loss should fairly and reasonably be shared equally and the refund payable by Revolut reduced by 50%.*

*I'm not persuaded by Mr P and Miss T's suggestion it'd be fair to hold Revolut liable for all the loss on the basis that it lacked secure systems and communication methods. It's an unfortunate fact that complex and evolving methods by scammers affect the industry. The technique of 'spoofing' itself isn't unique to Revolut. And, as I've noted, I think they too should have acted more carefully than they did given the significant red flags by this point.*

*I'm also not persuaded by Revolut's comments that it could refuse to refund, under the new PSR scheme, where a customer acted with gross negligence. That's not the test I'm applying here. The new scheme wasn't in force when this payment was made and is not relevant to my decision about what is fair and reasonable in this complaint.*

#### *Could Revolut have done anything else to recover the money?*

*A business is generally expected to attempt recovery of funds once the scam has been reported. I can see Revolut took appropriate steps to do so here. It contacted the recipient bank and then received no response. I've also seen information to show the disputed funds were utilised within minutes of crediting the recipient account. As such, there was no prospect of Revolut recovering the lost funds by the time the scam was reported.*

#### *Customer service*

*I note Mr P and Miss T have asked to be compensated for the emotional impact the whole experience has had on them. But, from their submissions, it seems to me it was Miss T who was most impacted and suffered from things like "panic attacks" and "required therapy" for the distress caused by these events. And, while the account was used jointly, Mr P was still the account holder. I can't make an award for the stress/inconvenience suffered by Miss T.*

*I recognise Mr P was also a victim. But I've seen little to persuade me I should make an award for the impact of Revolut's actions on him directly, bearing in mind much of any stress and inconvenience he may have suffered was primarily a result of the fraudster's actions in what was an elaborate scam. And while Mr P was unhappy with Revolut's investigation into*



*the scam claim, I don't think, looking at how it was handled, the service given was poor to the extent an additional award for distress and inconvenience suffered by Mr P is warranted.*

*I'm satisfied that when the scam was reported, Revolut took steps to get the information it wanted to assess the claim and replied within four days with its reasons for not offering a refund. It explained it was treating the payments as authorised and that if Mr P didn't hear back within 21 days, then recovery had been unsuccessful. A complaint was raised two days later and he was then given referral rights to our Service if he remained unhappy with that outcome. This was in line with what I'd have expected.*

### Putting things right

*For the reasons above, I intend to uphold this complaint about Revolut Ltd and to direct it to:*

- *pay Mr P, 50% of the loss resulting from the disputed payment; and*
- *pay 8% simple interest per year on that amount from the date of the payment to the date of settlement, less any tax lawfully deductible.*

### **Responses to provisional decision**

I invited further comments and evidence from both parties. I explained the deadline to send any further comments or evidence for me to consider was 10 January 2025 and that, unless the information changes my mind, my final decision would likely be along the lines set out in my provisional decision.

Mr P responded to say he was satisfied with the outcome in my provisional decision. Revolut responded with additional questions. I replied to these informally on 8 January 2025 and gave Revolut an opportunity to make further representations by 17 January 2025. Revolut then sent a further response for me to consider. I've summarised its submissions below.

In its first response, Revolut said:

- The Revolut account is in Mr P's name. Miss T has no association with the account. Mr P may have given Miss T 'unofficial' access to the account, but Revolut was not aware and this is a breach of its terms and conditions.
- It doesn't see how Miss T is an eligible complainant here. She doesn't have an account with Revolut and the disputed payment (the she made to Mr P) was not fraudulent and doesn't fall under the definition of APP fraud. Miss T should raise a complaint against her bank ('D') instead.
- Mr P didn't suffer any loss because the disputed funds didn't belong to him. Miss T fell victim to a scam and suffered the loss.

In its further response it said:

- Mr P didn't incur any financial loss. The funds didn't belong to Mr P but to an unrelated third party and *"this distinction is critical for understanding the financial dynamics at play and alleviating any concerns regarding our customer's financial exposure"*.

### **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.

Having done so, I've reached the same conclusions as set out in my provisional decision.

As mentioned above, I provided Revolut with my (informal) comments, on 8 January 2025. These were in answer to its first response to my provisional decision. In those, I explained that as it's Mr P (the account holder) who's asked us to consider this complaint, there's no question about eligibility here as it's been brought by the eligible complainant. But that, as Miss T was involved in the stages of the scam, it was appropriate to refer to her also when setting out the events surrounding the disputed payment. I've not received anything new to change my view that this complaint has been brought by the eligible complainant.

I also reiterated that, as I'd set out in the provisional decision, I was persuaded Mr P was involved and understood the disputed payment would be leaving his account (and that the payment was authorised). So, although I'd considered Revolut's comments that to allow Miss T access to the account would have been a breach of its terms and conditions with Mr P, I was satisfied for the reasons given in my provisional decision that *this* disputed payment was made with Mr P's knowledge and consent. I went on to say that the provisional decision set out my reasons for finding that Revolut ought to have done more to protect Mr P from the risk of fraud when the payment, from his account, was made as a result of the scam he was brought into. And that, if it had done so, the loss would have likely been prevented. I've not received any new evidence that changes my view on these findings.

In terms of Revolut's comments that Miss T didn't have a Revolut account and that most of the funds lost from Mr P's account didn't belong to its customer, I've already explained that, while I'm mindful of where most of the funds originated, I'm satisfied Revolut can fairly and reasonably be held liable for the loss in circumstances where it ought to have done more to prevent it. I've also previously explained that I'm satisfied Miss T will be aware of any award I make; she's not received a refund separately from D; she's confirmed she doesn't wish to complain about D; and ultimately I must consider the complaint Mr P has brought to us.

To summarise, this complaint has been brought by Mr P as the eligible complainant. I'm persuaded that the disputed payment was made with Mr P's knowledge and consent as a result of a scam he was brought into. I recognise most of the funds originated from Miss T's account with D and that Miss T doesn't have a relationship with Revolut. But I'm satisfied Revolut can fairly and reasonably be held liable for the loss (subject to a deduction for contributory negligence) in circumstances where, as I've found here, it ought to have done more to protect Mr P and where, if it had done so, the loss would have been prevented.

### **Putting things right**

For the reasons above, I uphold this complaint about Revolut Ltd and direct it to:

- pay Mr P, 50% of the loss resulting from the disputed payment; and
- pay 8% simple interest per year on that amount from the date of the payment to the date of settlement, less any tax lawfully deductible.

### **My final decision**

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 February 2025.

Thomas Cardia  
**Ombudsman**