

The complaint

W complains that Revolut Ltd won't refund money it lost when it was a victim of an impersonation scam.

W is being supported in its complaint by a representative, but for ease, I'll only refer to W in this decision.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

On 24 February 2024 W was contacted by someone (the scammers) purporting to be from the fraud department of another business it held an account with. W says that during several phone conversations, the scammers explained that W's accounts had been compromised, and that there was a potential risk to funds held in its Revolut account. The scammers told W it should transfer funds from its Revolut account to a new account set up in its name – the details of which were provided to W by the scammers. The funds were unfortunately then lost to the scam. W made the following faster payments as part of the scam:

Date	Amount
24 February 2024	£24,000
24 February 2024	£6,500
24 February 2024	£7,500
Total	£38,000

W realised it had been scammed; and contacted Revolut soon after the last payment was made. Revolut tried to recover the lost funds the same day, but this was unsuccessful.

W raised a complaint. Revolut said it had provided proportionate warnings before all three payments were processed; and had attempted to recover the lost funds. And so, it didn't think it had done anything wrong.

W disagreed and referred its complaint to the Financial Ombudsman. In short, it said Revolut hadn't done enough to protect it from financial harm. W wanted the funds returned, together with 8% interest and £300 compensation for the distress and inconvenience caused.

One of our Investigators considered the complaint and didn't uphold it. He thought Revolut had tried to protect W – but as W had provided inaccurate information about the purpose of the payments, it hampered Revolut's ability to provide an impactful safe account scam warning that would've likely resonated with W.

Our Investigator also thought that Revolut had made reasonable attempts to recover the lost funds; and that there was no basis on which to award compensation to W for distress and inconvenience.

W didn't agree. In summary, it said Revolut only asking for the payment purpose wasn't sufficient or probing enough, given the risk presented.

W also said that it:

‘did not know what was meant by a ‘Safe Account’, thinking that it may have a specific meaning in banking terms, and selecting ‘Something Else’ appeared to be the safest ‘catch all’ answer’.

W confirmed that it hadn’t been told to lie by the scammers. It also said that by the time the payments were made from its Revolut account, it had been on calls with the scammers for over three hours, during which time it had been *‘systematically subject to sophisticated psychological manipulation’*. Because of this, W said that by the time the payments were made, it was *‘mentally exhausted’* and *‘somewhat confused’* which impacted its ability to make *‘rational evaluations’*.

The case had now been passed to me for a final 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 W has been the victim of a cruel and sophisticated scam, and I don’t underestimate the impact this has had. But I must consider whether Revolut is responsible for its loss. And while I realise this isn’t the outcome W is hoping for, for similar reasons as our Investigator, I don’t think it is. I therefore don’t think Revolut has acted unfairly by not refunding the £38,000. I’ll explain why.

I should firstly add that if there’s a submission I’ve not addressed; it isn’t because I’ve ignored the point. It’s simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Revolut was responsible for W’s loss.

It isn’t in dispute that W authorised the payments. And under the Payment Services Regulations 2017 and the terms of its account, Revolut are expected to process the payments and W is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Revolut ought reasonably to have held such suspicions or concerns in relation to W’s payments — and if so, what might’ve been expected from a proportionate intervention.

So, I need to decide if Revolut acted fairly and reasonably in its dealings with W when it made the payments. Specifically, whether it should’ve done more than it did before processing the payments. I also need to decide if Revolut could’ve reasonably recovered the lost funds.

The starting point here is whether the warnings Revolut provided to W were proportionate to the risk it had identified. When considering this, I must keep in mind that Revolut processes high volumes of transactions each day; and that there is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they’re legitimate.

Revolut has shown that it provided the same warning to W before each payment was made. Firstly, Revolut told W to beware that *‘fraudsters are targeting businesses’*, and then asked W for the payment purpose from the following options:

‘Transfer to a ‘safe’ account

Payment for good or services

Investment

Paying a tax authority

Paying for police or law enforcement

Paying Revolut

Something else.'

W picked '*something else*' which generated the following:

'This transaction could be a scam. Before transferring money please be aware that:

- 1. Fraudsters can fake phone numbers to impersonate an organisation*
- 2. Revolut Business will never call you without verifying via the in-app chat*
- 3. Revolut Business will never tell you to move your money into a new 'safe' account*
- 4. Asked to ignore this warning*

If you're at all suspicious, please stop and read our scam guidance. By completing your transaction without knowing all the information you risk losing money that we may not be able to recover'.

The warning provided a link to Revolut's scam guidance and the option of speaking to an agent. W selected '*agree and make transfer*'.

I've thought about whether these warnings went far enough. The first point to make is that W's account is a business account, and from looking at the payment history over the previous six months, there are several high value payments to different payees ranging from £9,999.20 to £29,973.39. And looking back even further, there's a payment for £75,438.29 in April 2023.

And so, whilst I think Revolut was right to have requested information about the disputed payments before processing them, given they were to a new payee and of high value, the specific circumstances of the disputed payments wouldn't, in my opinion, have seemed particularly unusual or suspicious to Revolut given W's previous business account activity.

The next point to consider is how W responded to Revolut's questions. W has said that it had ultimately been told by the scammers that the funds in its Revolut account were at risk and that they needed to transfer the funds:

'to a secure account that is covered by banking regulations and once the situation has been clarified, they would transfer the money back'.

As we now know, unbeknown to W, it was transferring the funds out of its Revolut account to the scammers.

If W had selected the payment option of '*transfer to a safe account*' then this would've likely generated a warning from Revolut specific to the circumstances which W had unfortunately found itself in. And so, I think it's more likely than not, on balance, that this would've resonated with W and the loss would've been prevented.

But W *didn't* select this option, instead selecting '*something else*' which generated the warning I've quoted above. Whilst this warning does mention safe accounts, it's not as explicit as it would've been had W selected the correct payment purpose.

I can't reasonably find Revolut at fault for providing the correct warning to W based on the information it was provided with. And as I've said above, given the disputed payments weren't at odds with previous account activity, and were, seemingly being sent to an account in W's name, I don't think Revolut could've reasonably foreseen, from the information available to it, that W was at risk from financial harm.

I've thought carefully about W's point that it didn't know what was meant by '*safe account*', hence why it selected the option of '*something else*' when asked for the payment purpose. I have no reasonable basis on which to challenge W's position here, but I can't find fault with

Revolut; as I maintain it provided proportionate warnings to W based on the information W gave.

I've also thought about W's point that it had been communicating with the scammers for some time – and the impact this had on being able to fully understand the situation it was in and the significance of the warnings Revolut had provided. Again, I don't doubt what W has told us here, and can completely understand how worrying and distressing the situation would've been.

But whilst W was obviously concerned at the possible threat to its funds, by the time it was making the transfers from its Revolut account, it had had some time to digest what was going on. And it had been presented with the warning by Revolut three times (before each payment was processed), which, in my opinion, should've provided W with more time to think about the significance of the responses it was providing to Revolut's questions.

W has also confirmed that it hadn't been told by the scammers to lie to Revolut about the payment purpose. Further to that, the warnings W was provided with made it clear that fraudsters were targeting businesses, and that the payments W was making '*could*' be a scam. And if W was unsure as to what payment purpose to select, it could've opted to discuss this further with Revolut, or read its scam guidance before proceeding.

With all that in mind, I think the warning Revolut provided to W before processing each payment was proportionate to the identifiable risk. And that W's previous account activity, combined with the responses it gave to the questions Revolut asked; reasonably reassured Revolut that W's payments were legitimate.

I've thought next about whether, on being alerted to the scam, Revolut could reasonably have done more to recover W's losses. W reported the scam to Revolut via its chat function within an hour of the last payment being made, and it immediately initiated recovery of the funds. However, this was unsuccessful. Revolut acted promptly here, and so I can't reasonably hold it responsible for the funds not being recovered.

I have a great deal of sympathy for W and the loss it's suffered. But it would only be fair for me to direct Revolut to refund the loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly in the circumstances of this complaint, and so, I'm not going to tell it to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision **before 11 April 2025**.

Anna Jackson
Ombudsman