DRN-5331092

The complaint

Miss I complains that Revolut Ltd won't refund payments made as part of a scam.

What happened

The full details of this complaint are well known to both parties. Briefly, on 29 May 2024, several payments totalling just under £1,300 were made from Miss I's newly created e-money account with Revolut. She states a third party had blackmailed her with a compromising photo of her and she followed their instructions by sharing her account and card information.

Revolut declined to refund the payments on the basis that they were authorised by Miss I, either by completing 3DS verification in her Revolut app or by sharing details with the third party that enabled them to set up Apple Pay on their device.

Our investigator didn't uphold Miss I complaint. They accepted that Miss I was coerced but concluded that under the relevant regulations the payments were deemed authorised. And so, Miss I was presumed liable in the first instanced. The investigator also wasn't persuaded that there were any other reasons for why it would be fair to hold Revolut liable. They explained the payments weren't unusual such that they ought to have flagged as suspicious, and recovery via a chargeback was unlikely to succeed.

Miss I disagreed and asked for an ombudsman's decision. After the complaint was passed to me, I wrote to Miss I informally and explained that while I understood why she felt that the payments shouldn't be considered as having been authorised by her given the circumstances in which they were made, there was no separate provision in the legislation relevant to her complaint for payments made under duress.

Miss I has asked that I issue a formal decision on the matter. In summary, she states that this wasn't a normal scam, and what happened here is a criminal offence. Miss I says the law might treat her actions as authorised in the technical sense, but they were made under duress, and she believes its only fair for that to be taken into account. She states she wants to make sure these important points are clearly understood before I issue my 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 thank Miss I for her comments. I'd like to reassure her that I fully understand the points made in her appeal to the investigator's view, as well as in her recent correspondence.

The relevant law here is the Payment Services Regulations 2017 (PSRs). The starting point here is that Miss I is liable for authorised payments and subject to certain exceptions, Revolut is liable for unauthorised payments. The regulations set out what "unauthorised" means and how I should be assessing what is and isn't considered authorised.

At this point, it's not in dispute that Miss I shared her personalised information with the third party which enabled them to set up Apple Pay and make payments. She also approved two card payments in her Revolut app when prompted. She says she did so under duress. So, I've considered everything she's said, in line with the regulations which apply.

Miss I shared details with the understanding that the third party would use them to make payments, and money would leave her account. While she didn't necessarily initiate the payments herself, she was aware of them. And they couldn't have been made without some involvement on her part. I appreciate Miss I took these steps under duress. And I don't dispute what she's said about the third party's action amounting to a crime. But the complaint I'm considering is against her account provider, not the third party.

Here, the steps Miss I took means she is deemed under the PSRs to have consented to the payments. Under the PSRs, the concept of giving consent is a formal one. Being tricked or coerced doesn't invalidate consent. There's no concept of 'informed' consent (something often seen in healthcare) or consenting without coercion. So, while I accept the difficult situation Miss I was in, I can't fairly direct Revolut to depart from the regulations and refund her.

Although Revolut has a duty to act on authorised payment instructions without undue delay, there are circumstances when it might be appropriate for it to take additional steps before processing a payment. Such as when there are grounds to suspect that the payment presents a fraud risk. That might occur when a payment is significantly unusual or uncharacteristic compared to the normal use of the account.

One of the payments did flag as suspicious and Revolut froze Miss I's card and asked her to review the transaction in her app. Miss I confirmed in the app that the payment in question was genuine and made by her. She's told us she took that action because she was under direct threat at the time. But Revolut couldn't reasonably have known that. In the circumstances, I don't think it could have done anything further to prevent the payment from being made. Even if I were to conclude that some other payments ought to have triggered an alert on Revolut's systems, as Miss I would most likely have confirmed she wanted to make them given her situation, I'm not persuaded that it would have prevented her loss.

Once the payments were authorised and processed, Revolut wouldn't have been able to stop the funds from leaving the account. As the payments were made using a card (or tokenised card), I've considered whether Revolut should have raised a chargeback, and whether it would likely have been successful once it was notified of what had happened. Here, the payments were made to legitimate merchants and it's a common feature of what Miss I has described that the goods or services paid for are provided, but to a third party rather than the payer. So, on balance, I don't think it's likely that Miss I could have recovered her funds in this way.

I recognise that this will be significantly disappointing news for Miss I, not least because of how long this complaint has been ongoing. But overall, I'm satisfied that it's fair for Revolut to have deemed the payments as being authorised and I'm not persuaded it could have prevented Miss I's loss. So, while I appreciate that she is a victim here, I'm not upholding her complaint against Revolut.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss I to accept or reject my decision before 10 September 2025.

Gagandeep Singh
Ombudsman