

The complaint

V, a Limited company, complain that Revolut Ltd has unfairly declined to refund two transactions made from its account after it was the victim of a scam.

V's director, Ms E, has appointed a professional representative to assist with this complaint, but for ease I'll refer to Ms E throughout this decision.

What happened

On 12 December 2023, after noticing unrecognised activity on V's Revolut account and blocking her card, Ms E received a telephone call from someone claiming to work for Revolut. This person appeared to be calling from the genuine Revolut telephone number, and knew Ms E's personal details as well as details about V's account – including the unrecognised activity that Ms E had already identified. Because of this, Ms E says she had no reason to believe she was speaking with anyone other than a Revolut employee.

Ms E says she was told that two transactions for £2,500 had been attempted but blocked by Revolut. And to secure V's account, she'd need to unblock her card and approve requests via her Revolut app in relation to the attempted transactions; to confirm they weren't authorised by her. One request for each attempted transaction.

After approving the two requests as instructed, Ms E says she realised that two amounts of £2,500 had actually been removed from V's account, as well as a smaller transaction to an online retailer. It was at this point she realised she'd been the victim of a scam, and contacted the genuine Revolut to explain what had happened and asked it to refund the money.

Revolut recovered the smaller transaction amount and returned it to V's account. But the bank didn't believe it was liable for V's remaining £5,000 loss.

Unhappy with this, Ms E raised a complaint. In response, Revolut said:

- Both disputed transactions had been verified using 3DS. This is a security system that results in a push notification being sent to the Revolut app, where the account holder is prompted to confirm the transaction and complete the payment.
- Ms E had therefore authorised the two disputed transactions.
- Because of this, the transactions would not be covered by the chargeback scheme, and Revolut would not be issuing a refund.

V, via its representative, referred its complaint to this Service where it was considered by one of our investigators. She didn't believe Revolut should refund the £5,000, in view of the push notifications that Ms E had approved, albeit under false pretences as she acknowledged Ms E had been the victim of a scam.

V, via its representative remained unhappy and said in summary, that Revolut should've identified that the transactions were unusual activity and with the appropriate intervention, should've identified the scam and prevented V's loss.

As no agreement could be reached, the complaint has been passed to me to decide.

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 realise this will come as a disappointment to V, but I've reached the same conclusions as our investigator. I've explained why below.

It's accepted by all that Ms E fell victim to a scam. I was sorry to hear that this was the case. I'd also like to say that Ms E's representative has provided many comments in response to our investigator's findings. I've read everything that they've said, but when reaching this decision, I've focused on what I consider to be the most relevant information in the circumstances. No discourtesy is intended by this.

The regulations relevant to this case say that generally speaking, V would be liable for transactions Ms E authorises, and Revolut would generally be liable for unauthorised ones. I recognise that our investigator considers the disputed transactions as authorised, but Ms E has said she wasn't aware she was authorising transactions because she was the victim of a scam, and therefore they were unauthorised transactions. I've carefully considered this when reaching this decision.

I've seen Revolut's technical evidence. From this, I'm satisfied that both transactions of £2,500 were correctly authenticated using Ms E's card information, and stronger authentication was completed in her Revolut app. But authentication alone isn't enough to consider a payment authorised. For this to be the case, the Payment Service Regulations 2017 explain that Ms S must have given her consent to the execution of the payment transaction – and that consent must be in the form, and in accordance with the procedure, agreed between her and Revolut.

In other words, consent happens when Ms E completes the steps agreed for making a payment. Someone else could also act on Ms E's behalf to complete these agreed steps. And for the purposes of whether a payment is authorised, it doesn't matter if Ms E was deceived about the purpose or the amount of the payments – which I accept is what happened here.

For the form and procedure, I've reviewed the terms and conditions that Revolut has referred me to. These say that Ms E can consent to payments by using her Revolut card. Here, I accept Ms E didn't use her card, the scammer did, having somehow obtained her card details already. I also accept that Ms E didn't intend to give consent for the scammer to make any payments on her behalf.

When considering whether it's fair for Revolut to treat the two transactions as authorised, I've thought about the fact that Ms E did verify herself by logging into her Revolut app before approving the transactions. I appreciate this was under false pretences, as I accept that she was told the notifications were to confirm that the two amounts of £2,500 were fraudulent. But, by approving these transactions in the way that she did, as far as Revolut was concerned, she consented to the payments.

I fully appreciate that Ms E wouldn't have knowingly sent V's money to a fraudster. But I've seen an example of the stronger authentication screen that I accept Ms E would've seen for both transactions, and I find, on balance, that the screen would've been clear that the purpose of completing it was to approve a payment, rather than to confirm that it was fraudulent. And I'm satisfied that it would've displayed the name of the payee, the transaction amount, and the option to 'confirm' or 'reject.' By completing these steps, I'm satisfied both transactions were authorised by Ms E.

But, the matter doesn't end there, I've also taken into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time. And I consider Revolut should, fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including money laundering, the financing of terrorism, and fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms E when the disputed transactions were authorised via her Revolut app, or whether it should've done something more.

With this in mind, I've looked at V's bank statements for the months leading up to the disputed transactions. Having done so, whilst I accept the disputed transactions were made to a genuine online merchant that V hadn't used before (a merchant knowingly associated with cryptocurrency), I don't think they were so unusual or out of character that Revolut should've intervened.

In some circumstances, in accordance with the relevant regulations, rules and best practice from the time the payments were made, I'd expect Revolut to intervene and ask more questions about payments which were unusual or out of character for a customer. There is a delicate balance to strike between this, and its overriding obligation to process payments in a timely manner. So, whilst the payments were not for insignificant amounts, I don't think they were sufficiently unusual and out of character that it ought to have intervened here. And, if there was concern from Revolut that the payment request wasn't genuine, it would be mitigated that the payments were approved in app.

I accept that V had never made payments to a merchant knowingly associated with cryptocurrency before, but I don't think that this meant that Revolut ought to have intervened with the payments. V's account made some higher value transactions prior to the payments to the scam (albeit to existing payees), and whilst the disputed transactions were for two amounts of £2,500, I don't think they demonstrated a clear risk that Ms E was falling victim to fraud or financial crime. And as this is a business account, it doesn't have the same expected patterns as those of a personal account. So, I don't think Revolut acted incorrectly in following the payment instructions here.

I'm aware that this will be very disappointing news to Ms E on behalf of V, but in the circumstances, I find Ms E authorised the two disputed transactions. And so I don't require Revolut to refund the £2,500 to V's account.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 29 July 2025.

Lorna Wall
Ombudsman