

The complaint

Miss O complains Revolut Ltd won't refund the full amount of money she lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Miss O complains that on 28 October 2023 she sent five payments to what she thought was another account in her name.

Miss O says she was called by what she thought was an online selling marketplace and told her account wasn't safe and she needed to move her money to her Revolut account and then on to another account in her name. Miss O says she did this, then called the number back and someone else answered – at this point she knew she'd been scammed. So, she logged a complaint with Revolut.

Revolut investigated the complaint but didn't uphold it. So, Miss O brought her complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator found Revolut warned Miss O about the type of scam she was falling for, but she still went ahead and made the payments anyway.

Miss O didn't agree with the investigator's view. So, the complaint's 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Miss O has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Miss O is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Miss O for her loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Miss O made, or Revolut

hindered the recovery of the payments Miss O made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Miss O fairly and reasonably in its dealings with her when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Miss O's complaint. I know this will come as a disappointment to Miss O and so I want to explain why I've reached the decision I have.

I have kept in mind that Miss O made the payments herself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Miss O did not intend for her money to ultimately go to fraudsters – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Miss O might be at a heightened risk of financial harm due to fraud or a scam.

The first successful payment Miss O made was of a value that I think should've concerned Revolut, as Miss O had attempted three payments of the same value in quick succession before it. Miss O had also been asked on the third failed payment if someone had asked her to move her money and she replied "yes." So, by the point the fourth attempt and first successful payment was made, I would've expected Revolut to be alive to the fact Miss O could be at risk of a scam, which it was.

Revolut has told us that it stopped payment four and took Miss O into its live chat function. From here Miss O confirmed the last payment that was cancelled was a mistake and went on to say that she wasn't being guided, hadn't been asked to move her money and hadn't been asked to download any screensharing software – all of which wasn't accurate.

Following this, Miss O was given scam warnings relating to the exact scam she was falling

victim to - but went on to make the payments anyway.

It's not entirely clear why Miss O had put more trust in someone supposedly calling from a marketplace selling site over that of her bank, but it's clear she wasn't forthcoming with what was happening or providing accurate responses to the questions asked.

Miss O's representative has said that the bank should've questioned her in her native language, and this is why she wasn't answering the questions accurately. I've thought about this point carefully, but it doesn't change the outcome I've reached. As well as Miss O telling the advisor she was happy to be spoken to in English, I can see regularly spoke fluently in this language to different advisors. I also can't see any evidence of Miss O asking for the language to be changed or a lack of understanding of what was being asked throughout her contact with Revolut.

Recovery

After the payments were made, I couldn't reasonably expect Revolut to have done anything further until Miss O told it that she had been scammed.

Although Miss O raised her scam claim shortly after the last payment, the receiving bank have evidenced that the money was moved out of the account within minutes of it arriving. So, the prospect of recovery was hindered by the speed at which the scammer moved the money on.

Because of the above, I'm not persuaded Revolut could have successfully recovered Miss O's funds.

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 Miss O to accept or reject my decision before 31 May 2025.

Tom Wagstaff
Ombudsman