

The complaint

Miss S complains that Revolut Ltd won't refund payments she didn't make or otherwise authorise.

Miss S is being represented by solicitors in this complaint.

What happened

The full details of this complaint are well known to both parties, so I'll only provide an overview of what happened and focus on giving my reasons for my decision.

Miss S fell victim to an impersonation scam in March 2024. She received a call from someone who claimed to be from her credit card provider, and they mentioned fraudulent activity on her card. After creating a sense of panic and gaining Miss S's trust, the caller said other accounts belonging to her were also compromised. Under the guise of protecting her money, an e-money account with Revolut was set up in Miss S's name and money moved into it.

Subsequently, a notification popped up in Miss S's Revolut app which the caller said needed to be confirmed to accept a refund of the fraudulent transaction. Miss S states that there had been fraudulent activity on her credit card the year before and she had to approve the fraudulent payment over text before a refund could be initiated. As Miss S had received a refund that time, she thought something similar would happen on this occasion too. However, a payment was taken from her Revolut account instead.

When Miss S questioned the caller, she was told not to worry, and that the money would be refunded at the end of the call. Miss S states she felt obligated to continue with the call as she thought she would get her money back. She confirmed two further transactions which she was told she had to do for the same reasons as the initial transaction. A total of £2,784.72 debited Miss S's Revolut account in three payments.

Revolut declined to refund the payments on the basis that each transaction was 3DS verified in its app, and the transactions didn't have chargeback rights.

Our investigator didn't uphold Miss S's complaint. They said that although it was the scammer who gave the payment instructions using Miss S's card details (which she'd shared), she confirmed each transaction in her app. So, Revolut could consider the payment as authorised. The investigator also concluded that there weren't sufficient grounds for Revolut to think that Miss S was at risk of financial harm from fraud. So, it wasn't at fault for processing the payments. In relation to recovery of funds once the payments had been processed, the investigator considered it was unlikely that a chargeback would have been successful.

Miss S disagreed with the investigator's findings and asked for an ombudsman's decision on the matter.

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'd like to start by reassuring Miss S and Revolut that although I've only provided an overview of what happened, I have read and considered everything that has been submitted to this office in its entirety.

It's common ground that Miss S fell victim to a sophisticated social engineering scam. As she says she didn't authorise the disputed payment, the relevant law here is the Payment Services Regulations 2017 (PSRs). The starting point is that Miss S would generally be liable for authorised payments and Revolut would generally be liable for unauthorised payments.

From the technical evidence that Revolut has provided, the payments were correctly authenticated using Miss S's card information, and stronger authentication (3DS) was completed in her Revolut app.

But authentication alone isn't enough to consider a payment authorised. To consider a payment authorised, the PSRs explain that Miss 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 Miss S completes the steps agreed for making a payment. It's also possible for someone else to act on Miss S's behalf and complete these agreed steps. And for the purposes of whether a payment is authorised, it doesn't matter if Miss S was deceived about the purpose or amount of the payment.

To establish the agreed form and procedure, I've reviewed the terms and conditions that Revolut has referred us to. They simply state that Miss S can consent to payments by using her Revolut card. Here, Miss S didn't use her card – the scammer did. I also accept that Miss S didn't intend to give consent to the scammer to make the disputed payments on her behalf.

That said, I've considered whether there's any other reason why it would still be fair and reasonable for Revolut to treat the payment as authorised.

I've taken into account that Miss S did complete the 3DS authentication by approving the payment transactions in her Revolut app. She's told us she understood that by completing that step, she was accepting a refund of the fraudulent transactions. However, by approving the transactions, Miss S made a representation to Revolut that she consented to the payments. And having reviewed the stronger authentication screen that Miss S would have been presented with, I think it's clear that the purpose of completing it is to approve a payment leaving her account.

This is because it says, "confirm your online payment", and specifies the name of the merchant as well as the payment amount that will be taken. The options are to "confirm" or "reject".

Here, Miss S selected "confirm". Given the clarity of the content, I think it was both fair and reasonable for Revolut to rely on this representation and treat each payment transaction as authorised.

Arguably, by the time she approved the second and the third transactions, given what happened after she approved the initial transaction, Miss S ought to have known that money would leave her account by completing the step in her Revolut app. Under the PSRs, the last two transactions would be considered authorised.

Regardless of being considered authorised under the PSRs and/or under a fair and reasonable consideration, Miss S would be considered liable for all the disputed transactions in the first instance.

Revolut has a duty to act on authorised payment instructions without undue delay. However, there are circumstances when it might be appropriate for Revolut 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.

This was a newly opened account and there weren't any previous transactions for Revolut to compare the disputed transactions with. I've considered when the disputed payments were made, their value and who they were made to. Having done so, I don't think Revolut should reasonably have suspected that the transactions might be part of a scam such that I consider it should have made enquiries before processing them.

I appreciate that the disputed amounts, both individually and in total, are not insignificant to Miss S. But Revolut is an Electronic Money Institution which provides e-money accounts as opposed to current accounts offered by traditional banks. It's not uncommon to see deposits being made into such accounts specifically for the purposes of immediate onward transactions. And often, large amounts are involved. Therefore, in all the circumstances of this complaint, I don't consider Revolut ought to have been concerned when the disputed transactions took place.

Once the payments were processed, Revolut wouldn't have been able to stop the funds from leaving Miss S's account. As the payments were made using a debit card, I've considered whether Revolut should have raised a chargeback, and whether it would likely have been successful, once it was notified of the scam. Revolut has said that Miss S didn't have chargeback rights because the payments were approved via 3DS. It is correct that a payment approved this way doesn't have grounds for a chargeback on the basis that it was unauthorised.

I've considered whether a chargeback could have been raised on a different basis, for example, goods or services paid for but not received. But it's a common feature of the scam Miss S has described that goods or services are rendered, just not to the payer as they're for the scammer's benefit. So, on balance, I don't think it's likely that Miss S could have recovered her funds in this way.

I recognise that this will be disappointing news for Miss S, 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 authorised and I'm not persuaded it is at fault for failing to prevent Miss S's losses. So, while I appreciate that she's a victim here, I won't be 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 S to accept or reject my decision before 30 June 2025.

Gagandeep Singh
Ombudsman