

## The complaint

Mrs I is complaining that Revolut Ltd didn't do enough to prevent funds being lost to a scam from her account with it, and hasn't refunded the payments made as part of the scam.

The complaint is brought on her behalf by her daughter, Ms M. As I'll explain, Ms M was in control of Mrs I's account when the disputed payments were made, so for clarity I will refer to Ms M rather than Mrs I in parts of this decision.

## What happened

In August 2023 Ms M fell victim to a safe account scam. She was contacted by a scammer pretending to an employee of another financial business, which she held an account with.

As part of the scam, she transferred funds from her own account with this financial business to Mrs I's Revolut account. Ms M was operating Mrs I's Revolut account with Mrs I's permission (which included Ms M having Revolut's app installed on her own device, which she appears to have operated as if she was the account holder).

Ms M then gave the scammer the debit card details for Mrs I's account and authenticated the card payments through Revolut's app on the scammer's instructions. To explain the destination of the card payments (which would have appeared to Ms M to have been to a particular company that processes point of sale transactions) the scammers explained that this company was linked to the business Ms M held her account with and the payments would show up on her app in a separate "pot" after they'd been made.

The payments made as part of the scam were as follows:

Date	Type	Amount
30 August 2023	Debit card payment	£5,000
30 August 2023	Debit card payment	£5,000
30 August 2023	Debit card payment	£2,000

Ms M realised very shortly after making the final payment that she'd been scammed, and she contacted Revolut to report it. Revolut advised Ms M to raise a chargeback claim, which she did. But, after considering it, Revolut didn't submit the chargeback claim as it didn't think it would be successful. Ms M complained to Revolut, and it sent its final response to the complaint in September 2023, saying it wouldn't reimburse the funds that had been lost to the scam.

As the account holder, Mrs I brought a complaint to us, with Ms M acting as her representative. Our Investigator looked into what had happened. She thought that Revolut should have intervened to question what was happening when Ms M made the first payment of £5,000 to the scam, and this would likely have prevented the loss. But she also thought Ms M's actions meant that liability should be shared equally with Revolut, because there had been some "red flags" in what the scammer was asking her to do which should have prompted her to have made some more enquiries before going ahead with making the payments.

Ms M replied to say she didn't agree that she should share responsibility equally with Revolut, because, in summary, she didn't think it was reasonable for her to have identified the "red flags" the Investigator had noted.

Revolut replied to say that Mrs I had breached the terms and conditions of her account by allowing Ms M to operate it, and as such it didn't think it should be responsible for the loss, because the account had been mis-used, and it had no contractual relationship with Ms M. It also said it shouldn't have been expected to contact Ms M to intervene as she wasn't its customer, Mrs I was.

As the parties didn't agree, the complaint was passed to me for review and a decision.

### My provisional decision

I issued my provisional decision on 25 April 2025. I provisionally decided I wouldn't be upholding Mrs I's complaint. This is what I said.

*"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've provisionally decided that it wouldn't be fair or reasonable to uphold this complaint. I realise this will come as a disappointment to Ms M and Mrs I, and I'm sorry for that. I'll explain why.*

*There's no dispute that Mrs I allowed Ms M access to her Revolut account and card details, giving an implied representation that Mrs I could make payments on her behalf. And so I think it was reasonable for Revolut to have relied on this representation when processing the payments. It's therefore fair to treat the payments as authorised.*

*In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.*

*But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in August 2023 that Revolut should:*

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- in some circumstances, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and*
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene.*

*Our Investigator concluded that Revolut should have intervened here, in line with the obligations I've set out above – and if it had done so, the scam would have been prevented. So, she thought it should refund the payments Ms M made to the scam (subject to a 50% deduction to reflect Ms M's own contribution to the loss.)*

*But as I've mentioned, Revolut has explained that it doesn't consider it should be liable for Ms M's loss in these circumstances due to the account being mis-used, so I've gone on to consider this point.*

*Section 11 of Revolut's "Personal Terms" – which applied at the time of the scam - says the following:*

*"You cannot use your Revolut account in the following ways, either directly or indirectly:*

- to allow anyone else to have access to or use your account or the Revolut app..."*

*I agree with Revolut that Mrs I has breached the terms of the account by allowing Ms M essentially unfettered access to it. While breaches of the terms do have specific remedies set out in the contract, such as the suspension or closure of the account, the circumstances here – where a third party, Ms M, has suffered a loss to a scam while using an account outside of the terms agreed between Revolut and the account holder, Mrs I - are not expressly provided for in the contract. So, I must decide what is fair and reasonable in the overall circumstances of the complaint, in order to reach a fair outcome.*

*I have thought about the specific circumstances of this case carefully, taking into account how the account was used and how Ms M's loss to the scam came about. And having done so, I don't think that it would be fair or reasonable to apply our usual approach to Revolut's obligations to intervene to prevent financial harm to its customer. It follows that I don't think Revolut was obliged to intervene in Ms M's payments to the scam here, and as a result I can't conclude that it's liable to refund the payments Ms M made to the scam.*

*For completeness, I've also considered if Revolut could have done more to recover the funds when Ms M reported the scam.*

*Here, the payments were made by debit card, so they couldn't be stopped or reversed once they'd been made. But debit card payments can sometimes be disputed under a process called chargeback, subject to the relevant card scheme's rules. Ms M did ask Revolut to raise chargeback claims, but Revolut didn't raise them through the card scheme because it concluded the payments had been authorised in its app.*

*In any event, I don't think chargeback claims for any of the available reasons would have been successful here. This is because there isn't an applicable chargeback reason within the relevant card scheme that covers the scenario here, where payments have been authorised as part of a scam.*

*I'm sorry to disappoint Ms M and Mrs I. Ms M was the victim of a cruel scam and I can see why she would think her payments should be refunded. But it wouldn't be fair or reasonable to ask Revolut to refund her payments in these circumstances."*

#### Responses to my provisional decision

Revolut didn't reply to my provisional decision by the deadline.

Ms M did reply. She said, in summary:

- She does have Power of Attorney (PoA) for Mrs I's financial affairs in Mrs I's country of residence (which is abroad) – and Mrs I consented to the transactions.
- The payments were suspicious and Revolut should have intervened in them.
- She wasn't aware that having Mrs I's consent and PoA registered abroad wasn't enough, and they're sorry for not being careful in how they operated the account.
- She asked if the complaint could be resolved on the basis of her receiving a 50% refund of the funds she'd lost to the scam.

#### **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 really sorry to disappoint Ms M as I can see how strongly she feels about this, but having reviewed her response, I've not changed my provisional decision.

It's not in dispute that Mrs I was aware that Ms M was operating her account, and this is why I'm treating the payments Ms M made as having been authorised by Mrs I. But Revolut has said that it has no evidence that a PoA had been registered with it. So, what Ms M has said doesn't change the fact that the account was being operated outside of the terms agreed between Revolut and Mrs I. And this does, in my mind, have a bearing on what I think it would be fair and reasonable for Revolut to have done in these specific circumstances.

I agree with Ms M that the payments were suspicious, and in different circumstances I'd probably have expected Revolut to have intervened for this reason. But in the overall circumstances of this complaint, I still don't think it would be fair or reasonable to ask Revolut to refund the disputed payments.

**My final decision**

My final decision is that I'm not upholding Mrs I's complaint, for the reasons I've explained.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 17 June 2025.

Helen Sutcliffe  
**Ombudsman**