

The complaint

Mrs Z is complaining that Revolut Ltd hasn't refunded payments that were made when she fell victim to a scam.

What happened

The circumstances of the complaint are known to both parties so I'll only summarise the main points here.

On 2 January 2025 Mrs Z received a call from someone who said they were from Revolut. They told her the business account she held with Revolut had been compromised, and she needed to move funds from her business account with Revolut to her personal account with another provider. Mrs Z asked her business partner to do this, and she then received a call from someone who said they were from the provider of her personal account. They told her this account had also been compromised, and she should move the funds again to her personal account with Revolut, to keep them safe.

Mrs Z moved the funds to her personal account with Revolut, but she was told that the funds needed to be moved again to a new account. The caller told her the account would be in a different name so the funds couldn't be tracked. The funds were moved out of Mrs Z's account in two debit card payments of £3,500 and £1,050 and Mrs Z said she received notifications on her Revolut app to approve the transactions, which she did. The payments were made to a business that offers money transfer services.

Further transactions were carried out on Mrs Z's account with the other provider before she ended the call, and after some reflection she realised that she'd been a victim of a scam. She contacted Revolut the next morning via its in-app chat to report what had happened.

Revolut replied to say it wouldn't be refunding Mrs Z's payments, and so she raised a complaint with it. Revolut issued its final response to Mrs Z's complaint, but it didn't change its decision not to provide her with a refund. Mrs Z brought her complaint to the Financial Ombudsman Service.

Our Investigator looked into what had happened, but they didn't think Mrs Z's complaint should be upheld. They concluded that Mrs Z had authorised the payments, and they didn't think the payments would have looked unusual or suspicious, such that Revolut ought to have intervened to prevent them. They also didn't think Revolut could have done more to successfully recover the payments.

Mrs Z didn't agree. She said, in summary, that she didn't complete the payment instructions and although she recalls being given the option to approve or decline the payments, she doesn't recall completing additional authentication, for example through a one-time passcode (OTP). She thought the payments were unusual and Revolut ought to have intervened by giving her a warning, and she questioned why Revolut was unable to recover the payments.

Mrs Z's complaint has now been passed to me for review and a 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'm sorry to disappoint Mrs Z, but having done so, I'm not upholding her complaint. I'll explain why.

Did Mrs Z authorise the payments?

The relevant law here is the Payment Services Regulations 2017 – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised payments. Mrs Z disputes authorising the payments, so I'll address this point first.

The PSRs specify that authorisation depends on whether the payment transactions were authenticated correctly – and whether Mrs Z, or someone acting on her behalf, consented to them.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Mrs Z and Revolut. I've reviewed the terms of Mrs Z's account with Revolut but it doesn't specify exactly how she gives consent to online card payments. But broadly speaking, this is usually through entering the long card number, the card expiry date and CVV into the merchant's website.

From what Mrs Z has told us about how the scam unfolded, I think it's likely that the scammers were already in possession of Mrs Z's card details, and so it was them rather than Mrs Z who gave the payment instructions using Mrs Z's card details. So, Mrs Z didn't complete these payment instructions, but she doesn't dispute that she knew payments were being made. She says, however, that she doesn't recall completing a stronger authorisation process or being asked for an OTP to approve the payments.

Revolut's records show that both payments were authenticated using a stronger authentication process. Revolut's provided screenshots of its process for authenticating card payments, which has steps which involve being shown a notification which says a payment is waiting to be reviewed, which then opens a screen in the app asking for the payment to be reviewed. The payment amount and who it's being made to is shown on the screen with an option to confirm or reject the payment. So, I think this is likely to be what Mrs Z recalls seeing when she says she was asked to approve or decline the payments and from what she has said I'm satisfied she did complete these steps to authenticate them.

Although Mrs Z didn't enter her card details to make the payments, I'm satisfied that the payments were correctly authenticated using Mrs Z's card information and the stronger authentication process. And it was reasonable for Revolut to rely on this to process the payments. I appreciate that Mrs Z was tricked into taking these steps thinking the payments were being made to keep her funds safe, but under the rules this isn't a consideration in whether a payment is authorised. So, it's reasonable for Revolut to treat the payments as having been authorised and as such it isn't obliged to provide a refund.

Should Revolut have recognised the scam and intervened?

I've concluded that the payments were authorised, so I've gone on to consider if Revolut should have done anything else to prevent the payments Mrs Z made to the scam.

When a payment is authorised, Revolut has a duty to act on the payment instruction. But in some circumstances, it should take a closer look at the circumstances of the payment – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payment. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that Revolut processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I agree with the Investigator that I wouldn't have expected Revolut to have intervened here. The value of the payments was not especially significant in the context of the payments Revolut processes every day and even accepting that Mrs Z didn't use her account often, I don't think these payments ought to have caused Revolut to be sufficiently concerned about a scam risk that it ought to have intervened with a warning, or by contacting Mrs Z directly. So, I don't think Revolut ought reasonably to have done anything here to prevent Mrs Z from making the payments.

Could Revolut have done more to recover the payments?

The payments were made by debit card, and as such once they had been authorised it wasn't possible for Revolut to cancel them, even in a pending state.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Revolut didn't raise chargebacks when Mrs Z disputed the payments, but I'm satisfied that there would have been little prospect of chargebacks being successful here. I say this because I've concluded the payments were authorised by Mrs Z and also because the payments were made to a legitimate money transfer service which would have provided the service paid for.

Other considerations

I appreciate that Mrs Z has received a refund of payments she made from her account with the other provider involved in the scam, but this doesn't change my decision about her complaint with Revolut.

Mrs Z's also mentioned that Revolut restricted her account for some time after she reported the scam, but as it appears her card and account details had been compromised, I don't think this was particularly unreasonable in the circumstances. And I can see Mrs Z was able to remove the remaining funds on 15 January 2025.

Once again, I'm sorry to disappoint Mrs Z. As the victim of a cruel scam, I can understand why she'd think she should get her money back. But I've not found that there are any grounds for me to direct Revolut to refund the disputed payments to her.

My final decision

My final decision is that I'm not upholding Mrs Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs Z to accept or reject my decision before 5 January 2026.

Helen Sutcliffe
Ombudsman