

The complaint

Ms H is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud. She's also dissatisfied with the service she received after the fraud was reported, particularly that Revolut didn't call her to discuss the situation.

What happened

Sadly, Ms H fell victim to a cruel scam. To summarise, on 25 April 2024, she was contacted by someone claiming to be from Revolut about suspicious activity on her account. The scammer said they'd taken steps to protect her money and gave her a fraud reference, saying somebody would call from her bank. She then received a call from another scammer claiming to be from her bank who quoted the fake fraud reference she was given earlier.

The second scammer advised Ms H to transfer money from her bank account to Revolut and, once that was done, a £3,000 card payment was arranged from the Revolut account. The money went to a legitimate company, with the scammer presumably making a purchase for themselves with Ms H's money. Ms H says she was told the payment was simply an administrative procedure to establish a link between her accounts and that no money would be paid out.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account.

In this case, it seems clear Ms H authorised the payment using the Revolut app and it's provided copies of the screens it says she would have seen when going through the authorisation process to confirm a payment was being made. In saying the payment was authorised, I am aware that Ms H says she was told this was an administrative process and no money would leave her account.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms H.

The payment

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. Having considered what Revolut knew about this payment at the time it received the payment instruction, I'm not persuaded it ought to have been particularly concerned about it.

Ms H had held her account with Revolut for over two years by this point and had used it to make many payments. While most of these were for much smaller amounts, I note she did make a payment of over £2,600 in April 2023, so this payment wasn't completely out of character with past account activity.

I appreciate this is a lot of money to Ms H, but the amount was relatively low compared to the amounts involved in many scams. It was also a single payment rather than a series of payments, which is a common feature of many known types of scam. Also, the payment was to a legitimate company and didn't involve the purchase of cryptocurrency, another activity associated with many types of scam.

I note Ms H transferred the money to make this payment from her bank to Revolut in a series of transactions, but that's not necessarily uncommon if the bank or payment processor sets payment limits as she says she was told at the time. I'm also conscious that a card payment for £15 was declined earlier in the day. But taking everything into account, I don't think there were sufficient grounds for Revolut to think Ms H was at risk of harm from fraud when the payment instruction was given and I can't say it was at fault for processing the payment in line with that instruction.

I want to be clear that it's not my intention to suggest Ms H is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Ms H's money once it was aware that the payment was the result of fraud.

I note Ms H contacted Revolut to report the scam later the same day, although it was unfortunately too late to cancel the payment at this point. But as this was a card payment, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

We'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. The payment went to a legitimate merchant and the scammers presumably received the goods or services paid for. Ms H's disagreement is with the scammers, not the merchant, and

it wouldn't have been possible for Revolut to process a chargeback claim against the scammers as she didn't pay them directly.

Taking everything into account, I don't think there was anything Revolut could have done differently that would have led to Ms H's money being successfully recovered.

Customer service

In making her original complaint to Revolut and when referring the matter to us, Ms H has raised concerns about the level of service she received after she told Revolut she'd fallen victim to a scam. She's particularly concerned it didn't call her back when agreed and that it incorrectly said she'd shared her card details with a third party.

While I don't think any misunderstanding about whether she'd shared card details had an effect on the outcome of her claim, I can understand why this would have been frustrating for Ms H.

Reviewing the Revolut chat history provided, I can also see that Ms H repeatedly asked for someone to call her to discuss her situation in person but I understand that never happened. In particular, I note on 25 April 2024 she was told a call had been scheduled for that evening. While the agent then went on to provide assistance in the chat and Revolut may have felt a call was no longer necessary, nobody told Ms H that and I think she was entitled to believe someone would call her after she said she still wanted to speak to someone and the agent told her a callback request had been raised (at 15.23).

Ms H again appears to have requested a callback on 24 May 2024 and an agent gave the impression this would happen, asking her the time of day that was most convenient.

In between these two incidents, Ms H asked for a callback on many other occasions and was told this wasn't possible. But the fact a call was scheduled on two other occasions, even though Revolut didn't follow through, shows it did have the facility to speak to Ms H if it wanted to.

I don't think there was anything that could have been said on the phone that would have changed the situation for Ms H after the payment had been made. But I do think Revolut's consistent refusal to contact her to discuss the matter, even when it appeared to have agreed to do so, would have caused some unnecessary distress and inconvenience.

Understandably, I think it's clear this whole episode was very upsetting for Ms H. I'm conscious that most of this upset should be attributed to the actions of the scammers, but I think the shortcomings I've described in Revolut's service would only have compounded the situation and I believe she should be appropriately compensated for that.

The amount to award for a customer's distress and inconvenience can be difficult to assess as the same situation can impact different consumers in different ways. But in the circumstances, I think Revolut should pay compensation of £250 for its service failings in this case.

In conclusion

I recognise Ms H has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in respect of the payment instruction it received and I won't be telling it to make any refund.

This notwithstanding, I think the service she received after the scam was reported fell short of the standard Ms H was entitled to respect and that Revolut should pay £250 for the additional and unnecessary distress and inconvenience this caused.

The responses to my provisional decision

Revolut contacted us to say it had nothing to add to my provisional decision. Ms H didn't accept it. She reiterated she was the victim of a scam and that the sum involved was significant to her. Further, she maintains the payment was out of character compared to her normal account usage and said that the April 2023 payment I referred to was in a foreign currency, meaning it actually equated to a much lower amount in British pounds.

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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

I'm in no way disputing that Ms H was the victim of a scam and I appreciate the amount involved was significant to her and that the loss of this money would have been very upsetting. But for this type of account, I don't think a payment of £3,000 to a legitimate company and that didn't involve the purchase of cryptocurrency was something that should necessarily have alerted Revolut to the possibility she was falling victim to a scam.

I have reviewed the account history and I can now see the particular payment I referred to was in a foreign currency and was actually quite low value when the amount is converted to British pounds. I thank Ms H for correcting this and I'm sorry for any confusion caused. But this doesn't change my view that, based on the information it had, there was no reason for Revolut to suspect she was at risk of harm from fraud and that it was reasonably entitled to process the payment in line with her instruction.

Putting things right

The above notwithstanding, it remains my view that the service Ms H received from Revolut after she told it about the scam wasn't up to the standard she was entitled to expect and that it should pay compensation of £250 for the unnecessary distress and inconvenience this caused.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Ms H's acceptance, Revolut Ltd should now pay compensation of £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 24 June 2025.

James Biles
Ombudsman