

## **The complaint**

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

## **What happened**

In November 2023, Mrs F received a call from someone purporting to be from Revolut. The caller told her transactions had been attempted on her e-money account with Revolut and the account needed to be secured.

After 'securing' her Revolut account, the caller said Mrs F's account with her bank "D" was also at risk and a representative would call her shortly. Within a few minutes, Mrs F received a call from someone purporting to be from D. They convinced her to move money held with D to Revolut as the e-money account had been secured.

Mrs F has explained that while she was using the 'add money' feature on her Revolut app, notifications kept popping up on her device's screen. The caller told her to press 'confirm' each time as this was required for money to be transferred from D into Revolut. Mrs F did as she was told, as she thought the caller was helping her secure her account with D before the funds could be moved back from Revolut. Unfortunately, she had fallen victim to a scam and three card payments totalling £7,999.97 were made to a legitimate money transfer service.

Mrs F reported the matter to Revolut as soon as she realised what had happened. It asked her to submit a chargeback request for the disputed payments, but this was rejected on the grounds that the transactions couldn't be treated as fraudulent given they were authenticated via 3DS, or stronger authentication, i.e., in-app approval.

Mrs F complained to Revolut before referring her complaint to our service. Our investigator concluded that the transactions weren't authorised as it was the scammer who input all the required details on the money transfer service's website to make the card payments, not Mrs F. So, she didn't use the agreed form and procedure to consent to the disputed payments. The investigator asked Revolut to refund the transactions in full and recommended £100 compensation for not refunding the payments sooner.

Mrs F accepted the investigator's recommendations, but Revolut didn't, and it asked for an ombudsman's decision. In summary, Revolut said it was Mrs F who approved the payments via 3DS. So, the payments were authorised. Revolut also said Mrs F was a victim of an account take over in 2020, and at the time it explained to her that it communicated via the in-app chat facility, and she should not provide any information if she receives a suspicious link or phone call.

I issued a provisional decision last month and gave reasons for why I intended reaching a different outcome to the investigator. In summary, I explained that even though it was the scammer who used Mrs F's card to make the disputed payments, she completed the 3DS authentication by approving each transaction in her Revolut app. So, I thought it was fair and reasonable for Revolut to treat the payments as authorised. I also considered whether

Revolut should have taken additional steps before processing the payments, but I wasn't persuaded that it could have stopped them from being made.

I gave both parties a further opportunity to provide any comments or information for my consideration.

Revolut said it didn't have anything further to add. Mrs F replied and said she rejected the provisional decision. In summary, she states that while she confirmed a 3DS notification it doesn't mean that she consented to the underlying transaction which was initiated by the scammer. Mrs F also says the provisional decision fails to properly engage with the gross negligence standard as it implies that her failure to read the notification fully is enough to shift liability to her. Mrs F would like me to reconsider the matter and issue a revised 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 thank Mrs F for her comments in response to my provisional decision. Her frustrations are completely understandable, given the investigator recommended a full refund along with compensation in their assessment.

Both parties to the dispute have the right to disagree with the investigator's assessment and ask for an ombudsman's determination. I've carefully reviewed Mrs F's response, but her comments haven't persuaded me to depart from my provisional findings. I'll explain why.

#### *Were the payments authorised?*

It's common ground that Mrs F fell victim to a sophisticated social engineering scam. As she says the disputed payments are unauthorised, the relevant law here is the Payment Services Regulations 2017 (PSRs). The starting point is that Mrs F 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 payment was correctly authenticated using Mrs F'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 Mrs F 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.

To establish the agreed form and procedure, I've reviewed the terms and conditions that Revolut has referred us to. They simply state that Mrs F can consent to payments by using her Revolut card. Here, Mrs F didn't use her card – the scammer did.

So, I accept that she didn't complete the agreed form and procedure.

#### *Is there any other reason why it would still be fair and reasonable to treat the payments as authorised?*

Although Mrs F didn't complete the form and procedure set out in the account terms and conditions, I've taken into account that she completed 3DS authentication when requested by approving each transaction in her Revolut app.

I can see Mrs F has said she was under the belief that by completing that step she was confirming the transactions coming into her Revolut account from D. In response to my provisional decision, Mrs F states she didn't have knowledge of what she was authorising by completing 3DS authentication.

I've reviewed the screen that Mrs F would have been presented with each time 3DS authentication was requested. It says, "Confirm your online payment" and details the name of the merchant, the payment amount, as well as the time of the payment. The screen also specifies the last four digits of the card that the payment is being made from. The options are to "confirm" or "reject". I think it's clear that the purpose of completing this screen is to approve or decline a payment.

So, while I appreciate that Mrs F didn't read the full content of the screen when following the scammer's instructions, by pressing confirm she made a representation to Revolut that she was aware of the payments and consented to them being made. And given the clarity of the content on the screen, I consider it both fair and reasonable for Revolut to rely on this representation and treat each payment as authorised. What this means is that Mrs F would be considered liable her loss in the first instance.

Mrs F says there's no evidence that she acted with a very significant degree of carelessness by failing to properly read the content of the 3DS screen. She submits that I've failed to engage properly with the gross negligence standard. I wish to make it clear that I'm not holding Mrs F liable because I think she's failed with gross negligence but because, for the reasons set out above, I think it's fair for the payments to be treated as authorised. Gross negligence is a consideration for unauthorised payments.

*Are there any other reasons why it would be fair for Revolut to be held liable despite the payments being treated as authorised?*

As I've concluded that it's fair and reasonable for the disputed payments to be treated as authorised, under the relevant regulations, Mrs F would be considered liable her loss in the first instance.

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

I've reviewed Mrs F's account statements. I've also considered when the disputed transactions were made, their value and who they were made to. Having done so, I don't think Revolut should reasonably have suspected that the first disputed payment (£3,999.99) might be part of a scam. I accept that the transaction amount was not in keeping with the usual account activity, given previous individual transaction amounts were never more than £100. But it's not that unusual for customers to make one-off large value payments every now and then.

I should also explain that Revolut is an Electronic Money Institution which provides e-money accounts as opposed to traditional current accounts. It's not uncommon to see deposits being made into such accounts to immediately fund an onward transaction. So, I don't consider Revolut ought to have been concerned when the first payment was authorised.

The second payment (£1,999.99) was made less than 40 seconds after the first payment. I consider a pattern of increased spending to the same merchant had begun to emerge and I

think that the circumstances should have led Revolut to consider that Mrs F was at a heightened risk of financial harm from fraud. In line with good industry practice and regulatory requirements, I'm satisfied that it is fair and reasonable to conclude that Revolut should have warned its customer before this payment went ahead.

I consider a proportionate response to the risk the transaction presented would have been for Revolut to have provided a written warning about scams in general during the payment flow, prior to checking if she wanted to continue with the payment.

But had it done so, given what Mrs F has described about what was happening at the time of the payments and what she understood she was doing, I'm not persuaded that it would have prevented her loss. As I'm aware that the scammer was on the phone to her, she was under a great deal of pressure, and fully believed the caller was genuine, on balance, I think it is more likely than not that she would have been coached into pressing confirm – just like when the stronger authentication screens came up. So, I don't think Revolut could have prevented her from going ahead with that payment.

The last payment (also for £1,999.99) wasn't attempted for another 20 minutes. It's arguable whether Revolut should have provided a further written warning to Mrs F. But even if it had, much for the same reasons I've set out above, I don't think this would have prevented Mrs F's loss.

Once the payments were authorised and processed, Revolut wouldn't have been able to stop the funds from leaving the 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. Here, the payments were made to a genuine money transfer service, and it's a common feature of the scam Mrs F has described that services are rendered i.e., funds transferred as requested. So, on balance, I don't think it's likely that Mrs F could have recovered her funds in this way. And this is what happened when a chargeback was initiated.

I can see that our investigator awarded Mrs F £100 compensation for Revolut not refunding her in line with the PSRs. As I don't think it needs to refund the disputed payments, I don't consider this compensation award is due either.

I recognise that this will be significantly disappointing news for Mrs F, not least because of how long this complaint has been ongoing and the investigator previously upheld it. But overall, I'm satisfied that it's fair for Revolut to have deemed the payments as being authorised and I'm not persuaded it could have prevented Mrs F's loss. So, while I appreciate that she is a victim here, I'm not 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 Mrs F to accept or reject my decision before 7 July 2025.

Gagandeep Singh  
**Ombudsman**