

The complaint

Mr B complains that Revolut Ltd has declined to reimburse payments that were made as part of a scam.

What happened

As both parties are familiar with the facts of this case, I'll summarise them briefly.

Mr B says that in February 2024 he received calls from a scammer impersonating Revolut and another of his banking providers. He was persuaded that his funds were at risk and to move them from his accounts with third-party banks to Revolut. He says this was plausible because he'd recently reported sharing his card details after receiving a phishing message.

Mr B was persuaded to confirm payments from his Revolut account on the understanding that this would mean they could be cancelled / recovered. Mr B realised something was wrong when the scammer asked him to complete a loan application. He disputed eight debit card payments made from his Revolut account.

Revolut declined to reimburse Mr B on the basis that it considered the payments were authorised as he had approved them in his banking app. It also said it didn't think it had grounds to raise a successful chargeback.

When Mr B complained to our service, the investigator didn't uphold the complaint. In summary they thought Revolut had acted fairly in treating the payments as authorised. The investigator explained why they didn't think it would be fair for Revolut to be required to reimburse Mr B for any other reason.

Mr B didn't agree, he raised a number of points which I'll briefly summarise:

- That Revolut ought to have done more to identify the risk to Mr B's account earlier on and provide tailored warnings in light of his recent report of phishing, the activity on his account, and the characteristics of the disputed payments.
- That Revolut should have contacted him using a different method of communication than the in-app chat.
- That Revolut failed to adequately protect his account and allowed it to be accessed and manipulated by the scammer.
- That he didn't generate the payments or authorise them. And that it wasn't reasonable for Revolut to rely on him confirming the payments in his banking app when it knew his account was vulnerable and the activity was suspicious.
- Revolut should have done more once the scam was reported to stop the pending payments and to recover the payments. He referenced the legal maxim "*fraud unravels everything*".

As an agreement couldn't be reached, the matter has been passed to me for a decision by an ombudsman.

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, I'm not upholding this complaint for similar reasons to the investigator.

Mr B has made several detailed points about his complaint which I have only summarised above. But I'd like to reassure him that I have considered his submissions in full. And I hope the fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the circumstances as a whole.

Has Revolut acted fairly in treating the disputed payments as authorised?

The relevant law here is the Payment Services Regulations 2017 (PSRs) – these set out the circumstances in which a payer (here Mr B) and a payment service provider (here Revolut) are liable for payments. As a starting point, Mr B is liable for payments that he authorised and Revolut should reimburse unauthorised payments.

Taking what Mr B has described happening at face value, it appears to have been the scammer who used Mr B's card to make online payments. It's not clear whether Mr B was tricked into sharing this information or if the scammer already had these details as it was an existing card. This means he didn't complete the form and procedure himself, as set out in the account terms and conditions, to consent to the payments.

I've gone on to consider Revolut's points about the steps Mr B took, and whether it's acted fairly in treating the payments as authorised on that basis. Revolut has explained that all of the payments were confirmed in Mr B's banking app as part of the stronger authentication process (known as 3DS). Mr B has explained that he did this believing it was a necessary step in order for the caller to cancel and reverse payments that had been set up. Revolut has shown that Mr B would have been presented with a screen asking him to "*confirm your online payment*" which set out the details of each payment including the merchant and payment amount. And that he was given the option to select "*confirm*" or "*reject*", to which he selected "confirm".

I accept Mr B was coached and manipulated into taking these steps. But I think it is fair for Revolut to have treated the payments as authorised. This is because the screens Mr B would have been shown were very clear that Revolut was asking him to confirm a payment out of his account and he did. So, I think it was reasonable for Revolut to rely on the steps Mr B took as confirmation that he did consent to the payments.

I understand Mr B thinks this wasn't reasonable and that Revolut should have been concerned about his account based on his previous report of phishing and the account activity. However, the card used to make the disputed payments was not the same card Mr B had reported as compromised earlier that month, that was cancelled at the time. And as Mr B had verified himself in his secure app on his trusted device, I don't think it was unreasonable for Revolut to have accepted that it was Mr B confirming the payments (which it was). I'll go on to address the issue of whether Revolut ought to have identified more broadly that Mr B was at a heightened risk of financial harm from fraud. But for the reasons I've explained I think it is fair for Revolut to have treated the payments as authorised.

Mr B appears to be under the impression that the payments were in some way linked to a failing by Revolut in the security of his account and thinks the scammer could access and

manipulate his account. But there is no evidence that the scammer had any access to Mr B's account.

Unfortunately, scammers are becoming increasingly sophisticated, and they can be very persuasive. Here it appears they initiated card payments using Mr B's card details which then caused certain genuine prompts from Revolut, but this is because they are familiar with Revolut's processes rather than because they could access Mr B's account.

Similarly, it was the merchant who reverted some of the payments and not the scammer. But they likely used this activity to further persuade Mr B of their legitimacy. Based on the evidence provided, the only access to Mr B's account was by himself through his trusted device.

Did Revolut miss an opportunity to prevent Mr B's loss?

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 PSRs and the terms and conditions of the customer's account.

But, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances

Here, Revolut did intervene after three payments (one of which was reverted by the merchant). It declined a payment of £2,000 to a cryptocurrency platform and asked Mr B a series of automated questions.

Mr B was initially asked *"Is anyone prompting or guiding you?"* He selected *"no, I'm not being guided"*. This page included a warning that *"if someone is telling you to ignore these warnings they're a scammer"* and *"only continue if you're sure that you are not being prompted into making a payment"*.

Next Mr B was asked the reason for the payment. He selected *"as part of an investment"* from a list. I note that it was an option to choose *"something else"*. Revolut then provided a warning that focused on cryptocurrency scams.

Revolut then prompted Mr B to enter an in-app chat:

- Here Revolut asked for details of why Mr B was making the payment. Mr B answered, *"Investment purpose to buy crypto currency in"*. He was provided with a warning that included *"Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to."*
- In the chat Mr B re-confirmed he was not being guided and said that he was buying cryptocurrency. He named the cryptocurrency platform that the payment was going to be made to. Mr B also confirmed he'd done his own research, had been investing in cryptocurrency for two years, and that he wanted to proceed with the payment.
- Mr B was asked to confirm *"Revolut has warned me in app chat that this is likely a scam. I confirm that I am not being assisted with my transaction and understand that Revolut is unlikely to recover my funds if I proceed."*

When asked by our service why he answered Revolut's questions inaccurately, Mr B explained he was told by the scammer that it was a system generated chat that he needed

to override in order to recover the situation, and that he had been told what to say.

I understand Mr B thinks Revolut ought to have intervened earlier and provided him with better tailored warnings. Even if I thought Revolut ought to have done more to intervene, it wouldn't be fair to make an award unless I thought that an appropriate intervention would likely have prevented Mr B's loss. We can't know for certain what would have happened as this is a hypothetical scenario. Where this is the case, I determine what I think is more likely than not to have happened, based on the evidence we do have.

I consider that how Mr B engaged with Revolut when it did intervene is relevant to how he is likely to have engaged earlier that day had it intervened sooner. I acknowledge that Mr B says he would have been more likely to have heeded a warning if given at the first payment, as he found the caller's apparent ability to revert the second payment on his account to increase their legitimacy. But while this may have strengthened the premise of the scam, on balance, I think that Mr B already believed that he was speaking to Revolut and trusted the caller enough to act of their instructions. This is supported by the fact that, he had already approved a payment and ignored the content of the screen asking him if he wanted to confirm a payment - believing the caller over and above what was presented in the app.

I'm not persuaded that a proportionate intervention by Revolut, even if made in relation to earlier payments, would have prevented Mr B's loss. This is because, based on what Mr B has told us and the steps he took, it's clear that he trusted the scammer at the time and didn't meaningfully engage with the questions or warnings in the app. Rather he believed he needed to follow the scammers instructions to avoid a financial loss, and in doing so provided inaccurate and misleading information to Revolut. So, I don't think it would be reasonable to conclude that if Revolut had asked more questions, provided different warnings, intervened sooner or repeatedly that Mr B would have behaved differently. Mr B was told the chat activity was automated and so he appears to have ignored any warnings included as part of this. For these reasons, I think it's more likely than not that had further intervention taken place, Mr B would have acted similarly and under the coaching of the scammer continued to mislead Revolut and make the payments.

Mr B says that Revolut should have called him or contacted him using another method such as email or text. I can appreciate why Mr B thinks a call (in particular) would have been more effective in his case, but it isn't our role to be prescriptive about how Revolut should intervene, rather to consider whether what it did was proportionate in the circumstances. Knowing that Revolut primarily interacts with its customers through its banking app, for the reasons explained I don't think any proportionate intervention by Revolut would have prevented Mr B's loss in the circumstances.

I want to acknowledge that Mr B has been the victim of a cruel scam, I understand he was manipulated and I'm making no judgement on his character. But for the reasons explained, I don't think it would be fair to conclude that Revolut has missed an opportunity that likely would have prevented Mr B's loss.

Could Revolut have done anything else to recover Mr B's money?

I understand Mr B thinks Revolut ought to have reversed the payments when he reported the scam, but it wouldn't have been able to do this as they had already been processed. This is the case even if they showed as pending.

As the disputed payments were online card payments, a recovery option that would have been available to Revolut would have been through the chargeback scheme. This is a scheme run by the card scheme provider to resolve payment disputes between customers and merchants – subject to the rules they set. Revolut wouldn't be expected to raise a claim

that it thought had no prospect of success.

Most of the payments were to money remitters and cryptocurrency platforms, with one appearing to be to a genuine merchant. Revolut has explained it didn't raise a chargeback on the grounds of authorisation because it didn't think this would be successful given the payments were 3DS approved. The investigator added that they didn't think a chargeback would likely be successful on the grounds of the goods or services not being received because it's likely they were provided, just not to Mr B. I appreciate we don't have evidence of the services provided, but I agree it's unlikely that a chargeback on either ground would be successful in the circumstances and so I don't think Revolut has done anything wrong by not raising one. There's no evidence to suggest that the services weren't provided in this case so I don't think it would be reasonable to conclude that a chargeback would have likely been successful.

Mr B has referenced the legal maxim "*fraud unravels everything*" – arguing in the context of the chargeback that he doesn't think the merchant or Revolut can rely on contract terms to prevent him from recovering his funds. But the chargeback scheme is voluntary and limited in scope – it sets out the circumstances in which funds should be returned. It is, of course, awful that Mr B has lost his money to a scam, but neither Revolut nor the merchants here were the perpetrators of the fraud, rather it is the scammer who has benefited from deceiving Mr B. I'm not considering whether the merchants have any liability in the circumstances, this complaint is specific to whether Revolut has acted fairly in declining to reimburse Mr B, and as part of that I've considered whether it acted reasonably in not pursuing a chargeback. I've explained why I don't think Revolut needed to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 July 2025.

Stephanie Mitchell
Ombudsman