

The complaint

Mr D is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

What happened

In September 2024 Mr D was travelling home from work when he received a call from his bank ('A'). They said someone had tried to take a payment from his bank account using his phone. The caller said this could present an issue for Mr D's account with Revolut and that he should expect a call from it.

Within minutes Mr D received another phone call, which appeared to be from Revolut's genuine phone number (it later turned out this number had been 'spoofed' to appear to be from Revolut). The caller said they needed to secure his account and move money to an established account he'd have access to. Mr D then authorised two card payments as instructed for £5,625 and £376.95 respectively - a total of £6,001.95.

Mr D was then referred back to his bank, but they mispronounced bank A's name. He then realised that he'd been the victim of fraud and that the callers had been scammers. He contacted Revolut immediately using its live in-app chat function and also reported the scam to Action Fraud. Revolut said it couldn't stop the payments. It attempted chargebacks but they were unsuccessful.

In response to Mr D's complaint Revolut said the chargebacks did not meet its fraud requirements, as he'd authorised the payments. Unhappy with its response he brought his complaint to us.

Revolut made some additional submissions and said, in summary, that:

- It hadn't given Mr D any warnings or made any interventions in the disputed payments.
- The disputed payments weren't out of character, based on the historical usage of the account which occasionally included higher value payments.
- Mr D had authorised the payments meaning Revolut should properly process the payments without undue delay.
- There was a 'high degree of negligence', as the scam was 'hardly believable' and Mr D didn't verify the information he'd been given using the proper channels in line with the account's terms and conditions.
- The payments were authorised with 3D Secure, which required Mr D's engagement, and didn't meet the fraud requirements for a successful chargeback.

Our Investigator thought the first card payment for £5,625 was sufficiently unusual based on Mr D's previous account usage to require an intervention from Revolut. As such, a proportionate intervention would have been for Revolut to ask Mr D a series of questions, which would likely have uncovered the 'safe account' scam and prevented Mr D's losses. Our Investigator didn't think there had been any contributory negligence by Mr D who had responded to what he reasonably believed was an urgent and genuine request to move and protect his money. In conclusion, our Investigator recommended Revolut refund Mr D's

money together with 8% simple interest.

Mr D accepted our Investigator's recommendation, but Revolut did not respond despite several reminders. So the complaint's been referred to me for 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.

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 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. 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, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

Should Revolut have recognised that Mr D was at risk of financial harm from fraud?

It's not in dispute that Mr D fell victim to a cruel scam, nor that he authorised the disputed payments he made to the scammers.

Considering what Revolut knew about the card payment of £5,625 at the time of Mr D's payment, I think it should have recognised that he may have been at risk of financial harm from fraud.

Having reviewed Mr D's Revolut account statements, I've noted he made few card payments and any he did make were of low value. The largest single payment in the preceding months was a transfer for £1,205 and this was a regular monthly payment to the same payee. The first disputed payment of £5,625 was a card payment, which was more than four times the amount of the regular transfer, so I consider it was very much out of character as compared to his previous account activity. The first disputed payment combined with the one that followed minutes later drained Mr D's account balance, where he'd previously consistently kept a substantial balance in the account.

I think Revolut should have taken additional steps before allowing the first payment to debit Mr D's account.

What did Revolut do to warn Mr D?

Revolut did not give Mr D any warnings or make any interventions in the two disputed card payments.

Revolut required Mr D to authorise the payments using the 3D Secure system, but as I've said there's no dispute he authorised the payments in the belief he was protecting his money.

What kind of warning should Revolut have provided?

Having thought carefully about the risk presented by the disputed payment of £5,625 I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances of the payment before allowing it to debit Mr D's account. I think Revolut should have done this by, for example, directing him to its in-app chat to discuss the payment further.

To establish the circumstances in which the payment was being made, Revolut should have asked Mr D a number of questions. This would have included questions intended to establish the purpose of the payment, whether anyone was telling him to make the payment and why he was essentially emptying his account.

I think it likely Mr D would have explained he'd had a call both from his bank A and Revolut (having seen Revolut's number appear on his phone as the caller ID) and that he had been told to move money to another account to keep it safe. I think Revolut should have identified this was a scam.

I say this because safe account scams such as this one are a well-known type of scam and Revolut should have been familiar with how they operate. I think Revolut should reasonably have given Mr D a very clear warning that explained, as a minimum, that a bank would never ask him to move money to a new account, that phone numbers could be spoofed and that he was falling victim to a scam.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr D suffered from the disputed payments?

There's nothing to indicate Mr D was being coached by the scammer or that he was encouraged to be untruthful if Revolut contacted him. If he'd been asked appropriate questions about the payment, I've no reason to believe he wouldn't have answered them accurately.

On balance, I think it's likely a safe account warning would have resonated with Mr D and he would have chosen not to proceed with the payment. I've noted that as soon as the scammer mispronounced bank A's name Mr D did not proceed further and acted urgently and immediately by reporting the scam both to Action Fraud and Revolut. So, I think it's likely any warning from Revolut would have broken the spell of the scammer and would have prevented Mr D's losses – being the two disputed payments of £5,625 and £376.95 respectively.

Should Mr D bear any responsibility for his losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what I consider to be fair and reasonable in the circumstances of this complaint.

I've noted that Revolut considers that there was a 'high degree of negligence' here, because

the scam was 'hardly believable' and Mr D didn't verify the information he'd been given using the proper channels in line with the account's terms and conditions.

Having thought about the matter carefully, I don't think that there should be any deduction from the amounts reimbursed.

The tactics employed by the scammers are common, but nevertheless captivating to anyone unfamiliar with them. The call Mr D received that appeared to show Revolut's number had been spoofed so his phone display seemed to show it was Revolut calling him, in line with what he'd been told to expect by the scammers. In those circumstances, I think it was reasonable for Mr D to have believed the call was indeed from Revolut and its purpose was to help him protect his money.

Further, it is relevant that the scam was carried out over a very short period of time on a single day. While Revolut says Mr D should have verified the information, it seems to me that he didn't have a chance to reflect on what was happening before his money was moved. The scammers attempted to instil in him a sense of panic and urgency because they said a payment had already been taken from his account with bank A. So he believed there was a real risk he'd lose his savings in his account with Revolut. In these circumstances, I don't think it was necessarily unreasonable for him to do things he might not normally have done when that sense of panic and urgency wasn't present and he could reflect on what was happening.

Revolut didn't give any warning to Mr D so he didn't have that opportunity to reflect on the payments. He authorised the payments while under the spell of the scammers. Overall, I don't think there should be any deduction to the amount reimbursed. He clearly didn't want to lose his money and his actions can't fairly be described as carelessness or a desire for personal gain. I think he genuinely believed what he was told by a sophisticated scammer and in the circumstances I don't find that belief to be unreasonable.

Recovery

Although it doesn't affect the outcome, for completeness I should say that I don't think Revolut could have successfully recovered the payments using the chargeback process.

Putting things right

If Revolut had intervened as I consider it should have done, I think Mr D would have not proceeded with the £5,625 card payment or have made the following payment of £376.95, being a total of £6,001.95. It follows that to put things right, I require Revolut to:

- Refund to Mr D £6,001.95, together with interest* on that amount at the simple rate of 8% per year from the date of payment to the date it makes the settlement.

*If Revolut Ltd considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Mr D how much it's taken off. It should also give Mr D a certificate showing this if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint. I require Revolut Ltd to take the steps set out in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or

reject my decision before 7 August 2025.

Amanda Maycock
Ombudsman