

The complaint

C, a limited company, has complained Revolut Ltd won't refund money they lost after being the victim of a scam.

What happened

Mr and Mrs W are directors of C. I'll refer to all throughout this decision. They opened a business account for C with Revolut in January 2021.

A call came through to C's work mobile on 4 December 2023. Although Mr and Mrs W missed the initial calls, they were able to answer on the third attempt.

This call was supposedly from Revolut warning C of a security breach and mentioning two payments that had been attempted. During the call with Mr and Mrs W, which lasted over an hour, they were persuaded to delete the Revolut app, link through to a Revolut chat to download remote desktop software, and share codes with the fraudster which would supposedly mean the attempted fraudulent transactions could be refunded.

Mr and Mrs W were wary throughout the call but felt the steps – including deleting the app and using a laptop to log onto the Revolut website – seemed plausible. It was only towards the end of the call as they were pressed, and the fraudsters stressed the urgency of what was happening that they agreed to share codes which meant the fraudsters could make two payments from C's account of £50,000 and £5,000.

After the call ended, Mr and Mrs W were able to see that £55,000 had been taken from C's account. They contacted Revolut immediately and asked them to refund the payments.

Revolut wouldn't refund the money C had lost. They argued they'd seen "*gross negligence from the customer*" which meant they wouldn't refund C.

C brought their complaint to the ombudsman service.

Our investigator didn't believe there was enough evidence to show that C had acted in a grossly negligent manner and as he felt C hadn't authorised the two disputed payments, they should be refunded in full along with 8% simple interest.

Revolut disagreed with this outcome and asked that C pay for what they argued was C's contributory negligence. C's complaint has been referred to an ombudsman to consider.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light

of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I have not gone into all of the detail that happened and the distress this has caused Mr and Mrs W. I do not mean this as a discourtesy rather I don't believe there's that much dispute between the evidence Revolut and C have both shared with our service. I also note the lengthy view completed by our investigator which details what happened as Mr and Mrs W experienced the fraud.

The regulations which are relevant to C's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are exceptions to this and that would include if the customer had acted with gross negligence or intent to allow any security details – including the card and PIN, and mobile banking access – to be used by someone else.

Revolut has argued C has acted in a grossly negligent manner. They say this because:

- C failed to keep the account safe in breach of the business terms and conditions;
- C shared secure codes with the fraudster;
- C allowed remote access to their laptop; and
- C didn't contact Revolut using the in-app chat function.

I've considered these aspects but don't believe C's behaviour meets the high bar required for gross negligence. Mr and Mrs W were convinced they were talking to Revolut and were taking considered and safe steps to delete the app and do what they could to protect their account. Their own account of what happened includes the fact that they didn't initially share the codes with the fraudster (and Revolut's evidence backs this up). Revolut believes this means Mr and Mrs W should have been even more wary of providing the codes as they obviously had some concerns. But I can see that Mr and Mrs W were already convinced by the fraudsters that they knew a lot of detail about their Revolut accounts so they weren't just providing codes without any reason. The individual they were talking to was "*professional but slightly stern*" as Mr W would expect when talking to a bank about the amount of money involved as in their case.

Revolut will know that this type of fraud follows specific steps and I don't believe it's right to blame customers for being persuaded to provide codes. I confirm I've not seen evidence to show C was acting in a grossly negligent manner as required by the regulations.

The evidence does however confirm Mr and Mrs W shared two different codes to enable the disputed payments to be made.

Under the PSRs there are two key aspects which make up authorisation – authentication and consent. The fraudsters had the means to authenticate the transactions having set up two new payees, and after having set up remote software to enable them to access C's account with Revolut they were able to make the payments themselves. There's nothing to indicate that C was in a position to consent to payments that they didn't know about. Nothing in the testimony Mr and Mrs W provided suggest there's any consent for any other transaction, nor do I believe is there any implication that C was providing apparent authority

to the fraudsters.

I'm satisfied there was no consent for those transactions as would be required if I was to say these were authorised.

I also note other aspects which I believe mean that Revolut should refund C in full. These include:

- Whilst Revolut did send out a message advising customers how to keep their accounts secure just shortly before this fraud took place, I have no way of knowing whether Mr and Mrs W read this.
- There's no dispute Revolut sent emails to Mr and Mrs W to notify they'd identified new browsers linked to C's account. It's clear none of these match Mr and Mrs W's laptop which suggests to me that Revolut can identify these transactions were authorised using another browser.
- As would be expected, Revolut identified a payment for £50,000 sent to a new payee as suspicious. Messages were sent to C's email address which could be seen and acted upon by the fraudster as they had remote access to Mr and Mrs W's laptop.

Mr and Mrs W raised other points of complaint. They were concerned they had to raise their fraud complaint through Revolut's chat function. It is not our service's role to tell banks how to manage their fraud response or what type of access they offer to their customers. This is an issue that banks compete on with other financial institutions and it is for customers to balance these different aspects when considering which financial institutions to bank with.

Revolut were told of the fraud on the same day as it happened. I can see – despite Mr and Mrs W's concerns – that they acted immediately to raise a fraud claim with the beneficiary bank.

Putting things right

Although Revolut has suggested C should pay part of their losses, this isn't how the PSRs work. As these transactions weren't authorised, and there was no gross negligence, Revolut will need to pay in full.

The full disputed amount was £55,000 and Revolut will also need to add 8% simple interest.

My final decision

For the reasons given, my final decision is to instruct Revolut Ltd to:

- Refund C £55,000 for the disputed payments; and
- Add 8% simple interest a year from 4 December 2023 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 9 October 2025.

Sandra Quinn
Ombudsman