

The complaint

Mr L complains that Revolut Ltd ('Revolut') won't refund the payments he made as part of a scam.

What happened

On 25 October 2023, Mr L received a text about a missed delivery. The text included a link for Mr L to click to rearrange delivery. Mr L was asked to pay a small fee as part of the process. Unfortunately, this enabled scammers to obtain Mr L's bank information.

On 26 October 2023, Mr L received a call from someone who said they worked for a bank, who I'll refer to as Bank B. Mr L asked the caller to verify they were who they said they were, and they referred him to an online profile which said they worked for Bank B.

Unfortunately, this was a safe account scam.

As part of the scam, Mr L was held on calls over a 13 hour period. He was told that he would be called by someone from the Financial Conduct Authority (FCA) and when he asked the caller to verify themselves, they called back on a spoofed number – so it showed as them calling from the FCA's genuine number even though they weren't.

Mr L was told that all of his bank accounts had been compromised as his IP address and his phone had been hacked. He was also told that if he tried to make an outbound call, the call would likely go straight to the fraudsters. Mr L was persuaded to make some transactions in order to trick the fraudsters, move his money into safe accounts and to help them track and identify the fraudsters. Mr L was told that if he shared information about the fraud with anyone, it would potentially affect the insurance that protects his money.

Mr L moved money from accounts he held with Bank B and another bank. Some of these funds were moved directly to accounts controlled by the scammers and some were moved to his Revolut account.

These are the card payments that were made from Mr L's Revolut account.

Date	Time	Details of transaction	Amount
26.10.2023	16:34	Card payment to E – an e-commerce company	£12,937.45
26.10.2023	17:25	Card payment to M – a company	£1,699.98
27.10.2023	01:15	Card payment to M1 – a cryptocurrency provider	£8,000
27.10.2023	03:05	Card payment to E – an e-commerce company	£1,358.50
27.10.2023	03:35	Card payment to R – a company	£399
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,599
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,500
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,370
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,499.99
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,385
27.10.2023	15:16	Card payment to E – an e-commerce company	£1,689

27.10.2023	15:16	Card payment to E – an e-commerce company	£1,304.99
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Mr L realised that he'd been the victim of a scam on 27 October 2023 and contacted both banks to advise them of the fraud. Mr L says he tried to contact Revolut, but as they don't have a phone number, he raised a chargeback on one of the transactions.

Revolut investigated Mr L's fraud claim but declined to refund him. Revolut say they couldn't raise a chargeback as Mr L authorised the payments through 3DS, whereby he had to go into the Revolut app to approve them.

Mr L wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr L's complaint and recommended that Revolut refund 50% of the payments he made. The investigator felt Revolut should've been concerned when the first payment was made, and had Revolut contacted Mr L, the scam would've been uncovered and his loss prevented. But, the investigator felt Mr L should've been concerned about what the scammers told him, so should share responsibility for his loss with Revolut.

Revolut accepted the investigator's opinion. Mr L disagreed saying this was a very sophisticated scam and that he'd taken reasonable steps to verify the legitimacy of the people he was talking to. Mr L didn't feel it was fair for a deduction to be made and asked for an ombudsman to review his case.

Having reviewed the complaint, I reached the same overall outcome as the investigator, but with a different redress recommendation. So, I issued a provisional decision explaining why and giving both parties a chance to provide any further evidence or arguments they wanted to be considered before I issued a final decision.

My provisional decision

In my provisional decision I said:

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; · have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common

use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

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

I'm satisfied that Revolut should've identified that Mr L was at risk of financial harm from the first card payment. I say this because Mr L had opened his account in July 2023, but only made a couple of small transactions, so the account had been inactive prior to the first scam payment being made. Also, the first scam payment was for over £10,000, which was significantly unusual and out of character compared to the small transactions Mr L had previously made.

What did Revolut do to warn Mr L and what should they have done?

Revolut say Mr L wasn't shown any warnings when the payments were made. Based on the specifics of the first payment Mr L made, I would've expected them to have directed him to their in-app chat so they could ask questions about the payment purpose.

I haven't seen any evidence that Mr L was given a cover story or told what to say if Revolut intervened. So, if Revolut had asked questions about the purpose of the payment, I think it's more likely than not that Mr L would've told them that his accounts had been compromised.

I think basic questions about why he was making the payments, would've uncovered that he was the victim of a safe account scam. That he believed he was talking to Bank B and the FCA, and that he'd been told to move his money to his Revolut in order to keep it safe. He believed the card payments being made on his Revolut account were to catch out the fraudsters and his money was being kept safe in a suspense account.

If Revolut had explained to Mr L that he was most likely the victim of a safe account scam, what these scams look like, how fraudsters can spoof phone numbers and how a bank would never ask him to move his money if his account had been compromised – I don't believe Mr L would've made any of the payments.

So, I think it's more likely than not that intervention by Revolut would've uncovered the scam and prevented Mr L's loss. On that basis, Revolut should refund all of the payments Mr L made.

Is it fair for Mr L to share liability for his loss with Revolut?

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

I'm not satisfied that Mr L should share responsibility for his loss with Revolut for the following reasons:

- The scammers knew about transactions Mr L had made on his account. Mr L didn't realise that they obtained this information from the text link he had completed. The scammer knowing about the transactions was persuasive that they were calling from his bank.
- Mr L asked the caller from Bank B to verify their identity and was directed to an online profile which said they worked for Bank B. Mr L wasn't aware that these profiles can be set up fraudulently. He also asked the caller from the FCA to verify themselves and they called back on what appeared to be the FCA's genuine phone number. They had spoofed the number, which meant it showed the FCA number

when actually the call was coming from a different number.

- Mr L was kept on calls with the scammers for most of a 13 hour period, this made it harder for Mr L to break the spell and meant that he became very entrenched in the scam and the fact that his money was at risk.
- While the investigator felt Mr L should've realised that the FCA wouldn't be involved in a situation where his accounts were compromised, I'm not satisfied that this is a reasonable expectation. Mr L says he wasn't aware that the FCA wouldn't be involved, and as it appeared they were calling from the FCA, he didn't have any concerns.

Taking all of these points into consideration, I'm satisfied that Mr L did sufficient checks to verify the legitimacy of those calling him. Mr L wasn't aware of safe account scams. Also, he was pressured into not discussing the situation with anyone as the scammers said disclosing the information would affect the insurance which would ensure he got his money back.

Bank B and Mr L's other bank have both told us that they didn't intervene when Mr L made payments from those accounts, including the payments he made to fund his Revolut account. So, I'm not satisfied that Mr L was given any warning by other banks or EMI's that he ignored.

Is it fair and reasonable for Revolut to be held responsible for Mr L's loss?

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr L has chosen not to complain pursue a complaint further about any other firm and I cannot compel them to do so. And, I do not think it would be fair to reduce Mr L's compensation because they've only complained about one firm, as I consider that Revolut should have prevented the loss.

Mr L hasn't been refunded by either of the other banks, in relation to funds transferred to his Revolut account, in order to make these payments. For these reasons, I'm satisfied that it's fair for Revolut to fully refund Mr L.

My provisional decision was that I intended to uphold this complaint and asked Revolut to refund Mr L in full.

Responses to my provisional decision

Mr L responded to say he accepted my provisional decision and had nothing further to add.

Revolut disagreed with my provisional decision and raised the following points:

- As Mr L was heavily coached by the scammers and under their spell, he wouldn't have heeded any potential warnings they may've given.
- Mr L was intentionally dishonest when he attempted to make a payment on 27 October, saying it was "to buy, sell or rent goods, property or services". So, it's unlikely that he would've been dishonest on any earlier intervention attempts as well.

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 carefully considered the points Revolut have made I'm still satisfied that Mr L is entitled to a full refund. I'll explain why.

I'm satisfied that Revolut should've been concerned and intervened when Mr L made his first payment. I say this based on the size of the payment and how unusual and out of character it was compared to Mr L's usual account activity. As a result, I would've expected Revolut to have referred Mr L to their in-app chat so they could ask open questions about the payment.

Revolut have referred to Mr L being heavily coached by the scammer on how to answer any questions they may've asked. But there is no evidence that Mr L was heavily coached.

Also, Revolut are aware that scammers often coach victims on answering questions. So, where a human intervention is warranted, as I'm satisfied applies in this case, just asking the reason for the payment doesn't go far enough. Follow on questions should be asked in order to identify if the customer is at risk of financial harm from fraud.

If Revolut had asked open and probing questions, I think it's more likely than not Mr L would've answered those questions honestly and the scam would've been uncovered. Especially as the first payment from his Revolut account, was early in the scam, so he wasn't as invested in what the scammers were telling him.

Revolut have referred to Mr L selecting a payment reason, on a later payment, related to buying goods. But, for the reasons already explained, I would've expected further questioning by Revolut regardless of the payment reason chosen. Had Revolut referred Mr L to their in-app chat to ask open questions, I'm satisfied that it's more likely than not the true reason for the payments would've been uncovered along with the fact that Mr L was the victim of a safe account scam.

And if Revolut had voiced concerns and given a relevant warning, I'm persuaded that Mr L would've heeded them and not made the payments. It was clear that Mr L made checks when first called by the scammers, to verify their identity, as he had concerns. So, Revolut voicing concerns that he might be the victim of a scam, would've resonated with him. And I'm not persuaded that Mr L would've continued with making the payments.

As I'm satisfied that appropriate intervention by Revolut would've uncovered the scam and prevented Mr L's loss, he's entitled to be refunded.

I considered whether Mr L should share responsibility for his loss with Revolut, but didn't consider it appropriate in these circumstances. The scammers had provided evidence to support they were calling from his bank and the FCA and I'm not satisfied that Mr L didn't take reasonable steps to try and verify their legitimacy. Based on the all the information Mr L had, I'm satisfied that he acted reasonably.

So, I'm satisfied that Revolut should refund Mr L in full for his loss.

Putting things right

To put things right I require Revolut Ltd to:

- Refund Mr L in full for all of the payments he made, and
- Pay simple interest of 8% per year on the refund, calculated from the dates of the payments until the date of settlement.*

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

My final decision

My final decision is that I uphold this complaint against Revolut Ltd and require them to compensate Mr L as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 10 September 2025.

Lisa Lowe
Ombudsman