

The complaint

Miss M is being represented by a claims manager. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

It seems things began with a phishing text purporting to be from a parcel delivery company, to which Miss M responded by giving account details. I understand she realised this was a scam immediately afterwards and then cancelled her card and ordered a new one and thought that was the end of the matter.

A few days later, on 3 July 2023, Miss M received a call from someone claiming to be from her bank on a spoofed number. She says the caller knew who she banked with and had her account details, presumably obtained from her response to the phishing text. The scammer then went on to say her account had been compromised and she needed to open a new safe account with Revolut, with whom her bank had partnered for this purpose. She was then persuaded to move the money on again, eventually to accounts controlled by the scammers.

As instructed by the scammer, Miss M set up a new account with Revolut on 3 July and made the following transfers (over the course of less than two hours) that were lost to the scam on the same day:

No.	Amount £
1	100
2	200
3	4,900
4	100
5	200
6	4,500
7	2,300
8	825

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

There's no dispute that Miss M authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss M.

Should Revolut have recognised that Miss M was at risk of financial harm from fraud?

One of the key features of a Revolut account is that it facilitates payments that sometimes involve larger amounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Having considered what Revolut knew about payments 1 and 2 at the time, particularly the low amounts involved, I'm not persuaded it ought to have been concerned and I can't reasonably say it was at fault for processing them in line with Miss M's instructions.

Payment 3, however, was for a much larger amount and, given it was also the third payment in such a short space of time, I think this is the point at which Revolut should have identified Miss M may be at risk of harm from fraud.

What did Revolut do to warn Miss M about payment 3?

Revolut has said that it asked Miss M to confirm the reason for the payment and, from the list of options provided, she didn't select that she was transferring to another account and instead said it was for 'something else'. While her answer didn't necessarily help Revolut identify whether a scam was taking place or what type of scam that might be, she was shown a series of warning screens telling her this could be a scam and to be wary of unexpected calls, that financial institutions never ask customers to move money urgently and that only scammers would tell her to ignore these warnings.

What kind of warning should Revolut have provided?

Having thought carefully about the risk payment 3 presented, I think a proportionate response to that risk was for Revolut to ask about the purpose of the payment and provide tailored warnings relevant to the answers it received. I'm satisfied that this was achieved here and that the warnings shown did cover some common features of safe account scams.

It's clearly unfortunate Miss M didn't take heed of these warnings and I've noted what her representative has said about the way the scam unfolded and the pressure that was being put on her to act urgently. But based on what it knew at the time, I'm satisfied Revolut acted reasonably. I realise Miss M's representative believes Revolut

should have contacted her to discuss the payment in person and that this would have stopped the scam. But I don't think that level of intervention was warranted at this stage.

By the time of payment 6, however, Miss M had now made six payments (two for large amounts) in a very short space of time, in spite of the earlier warnings shown, and I think a pattern of payments consistent with many types of known scam had begun to emerge. This is when I think Revolut ought to have gone further than simply showing written warnings and should have engaged with Miss M in person, most likely via its in-app chat function.

If Revolut had intervened as I've described, would that have prevented the losses Miss M suffered from payment 6?

If Miss M had spoken to an appropriately skilled Revolut agent at this time, I've no reason to think she wouldn't have said she'd been told by her bank to move money to a safe account. No evidence has been provided to show she was coached to hid this fact or had any other reason to do so. From this, an agent should have been able to identify she was falling victim to a safe account scam and explain this to her. If she'd received such an in-person warning, I think it's likely it would have resonated and she'd have chosen not to continue making payments.

I think it follows that if the scam had been uncovered at the point of payment 6, payments 7 and 8 would also have been prevented.

I note Revolut accepted the investigator's assessment and it doesn't appear to dispute this conclusion.

What about the actions of Miss M's bank?

This was a multi-stage fraud that saw Miss M move money from her bank to Revolut and then eventually onto the scammer. This complaint is about Revolut and it's not appropriate for me to comment here on whether or not the bank should have identified she was at risk of harm from fraud and whether it reacted proportionately.

While I believe the bank did agree to refund money sent directly to the scammers from its account, I understand it didn't refund any money that was transferred to Revolut first. Further, I've seen no evidence of any intervention by the bank that should particularly have alerted Miss M to the fact she was speaking to a scammer or that changes my views about how Revolut should have dealt with this situation and whether she acted reasonably in the circumstances.

Is it fair and reasonable for Revolut to be held responsible for Miss M's loss from payments 6 to 8?

I have taken into account that other businesses, including her bank, were involved in the sequence of events that moved money from her bank to the scammers. But Revolut should still have recognised she was at risk of harm from fraud, made further enquiries about payment 6 and ultimately prevented her loss from that point. I think Revolut can fairly be held responsible for any loss in these circumstances.

Should Miss M bear any responsibility for her losses?

I've considered the evidence carefully to decide what's fair and reasonable in the circumstances. On balance, I don't think it's fair for Revolut to apply any reduction to the amounts being refunded.

In reaching this conclusion, I've taken into account that this was a sophisticated scam where the scammer appears to have been able to make it appear the call came from her bank and had details about her account that I believe would reasonably have convinced her it was genuine. I'm also conscious that the scammers actions deliberately created a sense of urgency and panic with the aim of getting her to do things she wouldn't normally do. By keeping her on the phone throughout, the scammer was able to sustain that sense of urgency and panic.

With the benefit of hindsight, some of Miss M's actions now appear unwise. But at the time, I do believe she genuinely thought she was acting to protect her money. And in the heat of the moment, influenced by the sense of panic and urgency created by the scammer, I don't think her actions were so unreasonable that she should bear partial responsibility for her loss.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Miss M's losses once it was aware that the payments were the result of fraud.

I understand Miss M didn't notify Revolut of the fraud until several months after the payments left her account. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and it's not a surprise that Revolut's attempts to get her money back weren't successful. In the circumstances, I don't think anything that Revolut could have done differently would likely have led to these payments being recovered.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Miss M and I'm currently proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 5 in line with her instructions, if it had carried out an appropriate intervention before payment 6 debited her account, I'm satisfied payments 6 to 8 would have been prevented.

The responses to my provisional decision

Miss H confirmed her acceptance of my provisional decision and Revolut had nothing to add.

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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

Putting things right

The principal aim of any award I make must be to return Miss M to the position she'd now be in but for the errors or inappropriate actions of Revolut. If it had carried out a proportionate intervention as I've described, I'm satisfied the scam would have been stopped and Miss M would have retained the money that was lost from payment 6 onwards.

To put things right, Revolut should pay Miss M compensation of A + B, where:

- A = a refund of each of payments 6 to 8; and
- B = simple interest on each amount being refunded in A at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Miss M for the period she was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Miss M with a certificate showing how much tax has been deducted if she asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Miss H's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 16 September 2025.

James Biles
Ombudsman