DRN-5791237

The complaint

Your text here

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr V said the following payments were made as a result of scams he fell victim to.

Payment	Date	Transaction type	Amount
1	7 April 2024	Card payment to scam 1	£500.00
2	7 April 2024	Card payment to scam 1	£500.00
3	7 April 2024	Card payment to scam 1	£500.00
4	7 April 2024	Card payment to scam 1	£500.00
5	12 April 2024	Transfer to scam 2	£100.00
6	12 April 2024	Transfer to scam 2	£12,400.00
	12 April 2024	**Declined Transfer**	£2,150.00

Mr V said he was trying to sell an item via an online marketplace. He received an email asking him to verify his account and as part of the process made Payments 1 to 4. He realised he had been scammed when the money was not returned to him as promised. He raised the matter with Revolut but it didn't refund the money he lost.

A few days later he received a phone call from someone claiming to be from his credit card company stating that his account was compromised. He then received another call from someone claiming to be from the fraud department of his main bank, which I'll refer to as "N". He was told to transfer his funds to his account with Revolut, and then to what he thought was his new N account under a more secure name. When the scammer tried to talk him through Revolut's security questions, in relation to the £2,150 transfer that was declined, he challenged them and the scammer ended the phone call. It was at this point he realised he had been scammed. He contacted Revolut but it didn't refund the money he lost and it didn't uphold his complaint.

Our Investigator didn't think the complaint should be upheld. She thought the payments Mr V made on 7 April 2024 were low in value and wouldn't have triggered an intervention. However she thought Revolut ought to have intervened when Mr V made the payment of £12,400, but our Investigator didn't think Revolut would have been able to prevent the loss even if it had done so.

Mr V didn't accept what our Investigator said, as such the complaint has been passed to me to decide and I issued my provisional decision on 13 August 2025 in which I said the following:

"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;
- 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;

<u>Should Revolut have recognised that Mr V was at risk of financial harm from fraud?</u>

Scam 1

Although the payments were made on the same day, I don't think they were made in particularly quick succession. The payments were to a legitimate business and I don't think they were sufficiently unusual in nature, nor were they of a significant enough value to raise concern that Mr V might be at increased risk of harm from fraud and trigger the bank's fraud prevention systems.

Scam 2

I don't think the first payment should have triggered Revolut's fraud prevention systems as, while it was to a new payee, it was also very low in value and there were no other concerning factors with the payment. However I think Revolut ought to have intervened before processing the payment of £12,400. This payment was significantly higher than any other payment Mr V had made from his account in the 12 months prior. He had also received around 28 deposits into the account in approximately 15 minutes from his N account before making the disputed payments to scam 2 within the same hour. I find this payment activity unusual and out of character for Mr V compared his prior account usage. I think this pattern of activity is indicative of a potential scam. Revolut was also aware that Mr V had fallen victim to an impersonation scam only a few days prior. So I think it ought to have been on alert and intervened before processing this payment.

Considering this, I think it ought to have declined the payment and directed Mr V to discuss its purpose with a member of staff via the in-app chat. I would also expect it to have provided tailored warnings relevant to the scam risk it identified.

<u>If Revolut had provided a warning of the type described, would that have prevented the</u>

losses Mr V suffered from payment 6?

I've thought about whether such an intervention would have been effective and whether Mr V would have reacted positively to it. I think he would. This is because Revolut stopped a subsequent payment Mr V attempted to make (£2,150) and he was asked to discuss it via the in-app chat. During this conversation I find Mr V was provided appropriate warnings and Revolut was able to break the scammer's spell. I acknowledge that initially when he was questioned, Mr V did not answer honestly. He has confirmed that the scammer was guiding him to answer the questions. Despite this, it is clear from the conversation that Revolut still had concerns as the answers given were inconsistent, for instance Mr V initially stated the payment was to his own savings account but when questioned by the agent he stated he was paying a friend back money he borrowed. The agent probed further asking for evidence to confirm what Mr V said but he was not able to provide any. I'm satisfied that because of this intervention Mr V became suspicious of the scammer, the spell was broken and it was at this point he informed the agent that he believed it was a scam. Thus I think it is likely earlier invention would have been effective. So it is for this reason I think it is fair and reasonable to hold Revolut responsible for Mr V's losses from Payment 6.

Should Mr V bear any responsibility for their losses?

I've thought about whether Mr V should bear any responsibility for his loss and I think he should. I accept that there were aspects of the scam that would have appeared genuine. However, considering that he had been the victim of a scam a short time before, I think he ought to have been more cautious. Mr V was asked to make around 28 small payments from his main bank account, N, to his Revolut account before sending it on to the scammer. And I think the need to send the funds in this way should have raised alarm bells and caused him to stop and question what was being asked of him (and the legitimacy of the call). Mr V was asked to make payments to an account which was not in his name, and I think it should have concerned him. So, I think Mr V ought to bear equal responsibility for the loss he incurred from the sixth payment.

Putting things right.

Our Investigator concluded that Mr V and N ought to share responsibility for the loss incurred as a result of payments he made from his account with N to his Revolut account. Both parties accepted our Investigator's view.

I've considered the mistakes made by both businesses (Revolut and N) were similar in nature – as they both should have recognised that Mr V was at risk of financial harm from fraud and prevented some of his loss. Where two businesses have made the same or similar mistakes, I don't think their combined mistakes mean that they are more at fault than they would be if only one of them had made that mistake.

Comparing Mr V's actions, as set out above, against those of both businesses, I think that a fair deduction to the amount reimbursed is 50%.

N already reimbursed Mr N £5,069 which is 50% of the £10,137 loss attributed to it. Therefore Revolut ought to refund 50% of the remainder of the loss from Payment 6, so it should reimburse Mr V £1,131. It should also pay 8% simple interest to recognise Mr V's loss of use of the money."

Mr V accepted my provisional decision and Revolut provided no further comments.

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 provided additional information for me to consider, I see no reason to depart from what I said provisionally.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint and require Revolut Ltd to:

- Refund £1,131
- pay 8% simple interest, per annum, on this figure-calculated from the date the payment was made to the date of settlement.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 30 September 2025.

Oluwatobi Balogun
Ombudsman