

## The complaint

Ms C complains that Revolut Ltd won't refund her the money she lost in an impersonation scam.

## What happened

The circumstances surrounding this complaint are well-known to both parties, so I've summarised what I consider to be the key points.

On 12 December 2024, Ms C received a phone call from someone claiming to be a government official, indicating that she needed to make tax payments otherwise she would be arrested. They appeared to be calling from a phone number associated with a government department and Ms C says she was shown official-looking documents, which convinced her that she was genuinely dealing with a government official.

Ms C says she was asked for her card details and payments were set-up. Ms C authenticated these payments through the Revolut app. During the conversation with the scammer, a work colleague of Ms C intervened and spoke to the scammer, at which point the scam was detected and the call was disconnected.

Ms C says she made the following debit card payments on 12 December 2024 as part of this scam:

Transaction	Time	Amount	Outcome
1	09:07:22	£992.99	Completed
2	09:11:56	£994.22	Declined
3	09:11:57	£994.22	Declined
4	09:18:11	£994.22	Completed
5	09:19:38	£509.99	Completed
6	09:50:35	£666.99	Completed
7	09:54:10	£346.99	Completed
8	10:08:15	£656.99	Completed
9	10:36:24	£246.99	Completed

Ms C complained to Revolut that under the APP fraud reimbursement rules, Revolut failed to take appropriate measures to protect her from fraud and she considers it should have intervened further than it did.

Revolut says all the payments were authorised. It intervened in the second payment, declined it, blocked the merchant and sent an automated warning to Ms C asking her the payment purpose and follow-on questions. Ms C answered the payment purpose question to say that she was transferring money to another of her accounts. One of the options available was to select "I'm paying taxes or a fine from a legitimate institution". She was asked a follow-on question and replied that the payment was going to an account she controlled. Revolut says her answers were plausible and so it unblocked the merchant. It was unable to pursue chargebacks because these payments were money transfers, which were considered

successfully completed when the money was successfully credited to the recipient's account.

Our investigator said the transactions were unusual for Ms C's account. They were to a newly established payee, they were large compared to the usual account activity and all the payments were made within a relatively short period of time. He noted that Revolut did intervene and blocked transactions and that Ms C was asked questions about the payments by Revolut, after which the merchant was unblocked and a further payment was made. But he thought Revolut ought to have intervened on the payment after that, which was made a minute later and to the same payee. He felt Revolut ought to have intervened via live chat. He thought Ms C was more likely to have responded positively to Revolut if it had contacted her through live chat because this would have interrupted her conversation with the scammer. She said she had not been able to give her full attention to the warnings she had received earlier because she was talking to the scammer and being pressured to make the payments. He noted that when Ms C was asked questions about the phone call by her work colleague, the scam was quickly uncovered. He thought if Revolut had asked similar, probing questions, it could have uncovered the scam too. He recommended Revolut should refund Ms C payment five and the subsequent payments, plus interest at 8% simple per year.

Ms C accepted the investigator's assessment, but Revolut did not and I issued a provisional decision on this complaint, in which 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 Ms C was at risk of financial harm from fraud?

*I wouldn't have expected Revolut to have intervened on the first payment, which was not so large that it ought reasonably to have caused concern and wouldn't, at that time, have been part of a clear trend of suspicious transactions. It would likely have appeared as a one-off, larger than usual transaction that might occasionally be expected.*

*I consider it was reasonable for Revolut to have intervened when a second (and third) transaction quickly followed, to the same payee and for a similar amount. The payments weren't particularly large, but they were unusual for Ms C's account. Revolut's intervention appears to have been proportionate to the risk, asking for the payment purpose and asking relevant follow-up questions. Having received answers that would not have given it cause for concern, it unblocked the merchant.*

*Having just been told by Ms C that transaction two (and three) was an attempted transaction to her own account and having unblocked the merchant to allow a new payment to complete (payment four), I wouldn't necessarily have expected Revolut to have intervened on the next transaction (transaction five). I accept that it was made one minute after the previous one, but it was for a smaller amount and she'd just advised Revolut the payee was her own account.*

*But I do think that by payment seven Revolut ought to have intervened further. By transaction seven, a further four transactions had taken place since its previous intervention, in a little over half an hour, to the same payee and all for amounts larger than the usual value of transactions on Ms C's account. The pattern of transactions broadly matched known patterns of fraudulent transactions, with multiple small payments being made in quick succession to an account with a money transfer service.*

What kind of warning should Revolut have provided?

*I consider Revolut ought to have intervened through live messaging on its app at transaction seven. I think it would have had sufficient reasons to doubt the answers previously given by Ms C. By transaction seven, it would have been clearer that this was a pattern of unusual, rapid payments and not likely to be a case of Ms C simply transferring money between her accounts. So, I think that merited deeper intervention than automated warnings.*

If Revolut had provided a warning of the type described, would that have prevented the losses Ms C suffered from payment seven?

*Ms C didn't give accurate answers to Revolut when it contacted her about transaction two and she says she felt under pressure from the scammer due to their aggressive behaviour and threats. I'm mindful that this type of scam relies on creating a sense of panic and urgency for the consumer to act.*

*If Revolut had intervened via in-app messaging for transaction seven, it seems likely she would still have felt under pressure to make the payments, convinced as she was that she was dealing with a legitimate government official. But having to answer probing questions over in-app messaging might have provided a sufficient pause to allow Ms C to stop and consider what was happening and what she was being told by Revolut. It is of course possible Ms C would have maintained that she was moving money to an account in her control. But I consider it more likely that probing questions would have uncovered the scam at this point.*

*I say this because it would have been harder for Ms C to explain to Revolut why she was making a series of small payments to another of her accounts, rather than making one*

payment. It would also have been hard to explain the urgency of the payments – all of them having been made in around 47 minutes on an account that had not seen payments of that size or frequency before. I consider it unlikely her answers would have stood up to a reasonable level of scrutiny. There is no evidence she was coached about how to answer Revolut's questions, the scam taking place over a relatively short amount of time.

It was also the case that when she was asked questions by a work colleague, the scam was quickly uncovered. I see no particular reason why direct probing questions from Revolut, rather than a work colleague, wouldn't have had a similar result.

#### Should Ms C bear any responsibility for her losses?

The scam was designed to instil a sense of panic and urgency so that Ms C would act quickly and without pausing to consider the situation or even the warnings she might be sent. She says this is exactly what happened and she didn't give her full attention to the automated warnings that came up when Revolut intervened.

Added to that, the scammers were able to simulate the telephone number of a legitimate government department when contacting Ms C, which would have made the contact appear genuine.

The scam also appeared more plausible due to Ms C's particular circumstances. She says the scammer told her accounts had been opened in her name and tax fraud committed through those accounts. This coincided with her having lost her passport a short time before the scam, making it seem more plausible that someone might have opened an account in her name.

Overall, in the particular circumstances, I'm not persuaded that Ms C's conduct was such that it would be reasonable to conclude that she ought to bear partial responsibility for her losses.

#### Recovery

As the payments were made by card and were money transfers, deemed to be correctly completed when funds successfully credited the merchant's account, successful chargebacks would not have been possible under the relevant card scheme rules, so there was no realistic chance of Revolut being able to recover Ms C's money.

#### My provisional decision

*I propose to uphold Ms C's complaint for the reasons given above and I consider Revolut should refund payments 7-9, with interest at 8% simple per year from the date of each transaction to the date of settlement."*

Ms C responded to my provisional decision and said that she accepted it.

Revolut responded to my provisional decision and although it indicated it was willing to settle the complaint in the way I had proposed in my provisional decision, it requested a final 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.

Having done so, as Ms C accepted my provisional decision and Revolut didn't make any further comments or arguments about the merits of the complaint, it follows that I have reached the same overall conclusions as set out in my provisional decision and for the same reasons.

### **Putting things right**

In order to put things right, Revolut must refund payments 7-9 (inclusive) to Ms C and add interest to the amount of each of those payments at the rate of 8% simple per year from the date of each payment up to 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 Ms C how much it's taken off. It should also give Ms C a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

For the reasons I've given above and in my provisional decision, my final decision is that I uphold Ms C's complaint and I require Revolut Ltd to pay compensation to Ms C as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 10 November 2025.

Greg Barham  
**Ombudsman**