

## **The complaint**

Mr M and Miss E complain that Revolut Ltd won't refund money they lost when Mr M fell victim to an impersonation scam.

The funds were lost from Mr M's sole account, and Mr M and Miss E's joint account with Revolut. As it was Mr M who spoke to the scammer, for ease of reading, I've mostly referred to him in this decision.

## **What happened**

In March 2024, Mr M unfortunately fell victim to an impersonation scam and lost around £41,000. He received an email purporting to be from a parcel delivery company about missed delivery. As he was expecting a delivery around that time, Mr M attempted to pay a small re-delivery fee using his card. A few days later, he received a call from an individual who said they were from Revolut. The caller mentioned suspicious activity on his account. Mr M says the caller had a lot of information about him.

Convinced that his account had been hacked due to malware, and under the belief that they were helping him secure his funds, Mr M followed the caller's instructions. He transferred funds from his account with a different business (which he understood was also impacted) to his sole account with Revolut. Mr M then approved several transactions – card payments and transfers – from his sole account. The caller then instructed Mr M to transfer funds to his joint account with Revolut, before telling him to make payments from that account.

It was after Miss E noticed payments leaving their joint account that Mr M realised he'd fallen victim to a scam. He contacted Revolut and explained what had happened. He also shared his vulnerabilities with it at this time. Mr M also reported the matter to Action Fraud. Subsequently, Revolut was able to recover partial funds that Mr M had been tricked into transferring to a third party. But it refused to reimburse the remaining funds, including card payments which it said were approved by Mr M in his Revolut app. Revolut also said it provided warnings during some of the card payments and transfers, but Mr M chose to continue with the payments.

Our investigator noted that Revolut intervened on a few occasions and provided scam warnings before processing those payments. Based on Mr M's response to its enquiries, they weren't persuaded that Revolut would have been able to uncover the scam. The investigator considered Mr M's appeal about his vulnerabilities making it difficult for him to process information and making him reliant on being guided (in this case by the scammer). But they concluded that this wasn't something Revolut could have known given Mr M only disclosed them after he'd been scammed.

I issued my provisional decision last month and gave reasons for why intended partially upholding this complaint. I said –

### **“Prevention**

*It's not in question that Mr M was the victim of a cruel scam. And it's very unfortunate that he's lost a significant amount of money. But Revolut doesn't automatically become liable to reimburse his loss. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment.*

*Here, although he was tricked into doing so by the scammer, it's not in dispute that Mr M authorised the transactions in question. 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.*

*I can see that Mr M has referred to the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code). It was a voluntary code which required signatories to reimburse customers who are victims of authorised push payment scams in all but a limited number of circumstances. Revolut was not a signatory of the CRM Code while it was in effect, as such it doesn't apply to Mr M's payments. I recognise Mr M's frustrations, but I can't fairly expect Revolut to adhere to a voluntary scheme it didn't sign up to.*

*Notwithstanding what I've said about the CRM Code, 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 in March 2024 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 (among other things). 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; and*
- 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 – (as in practice Revolut sometimes does including in relation to card payments).*

*Revolut didn't take any additional steps when Mr M approved the first six disputed payments – all from his sole account. It did however consider the next payment attempt as suspicious. From the information it has provided, Revolut blocked that card transaction and future transactions to that merchant and similar merchants, and informed Mr M that the payment had flagged as a potential scam. He was asked to review the risks involved before similar payments could be processed. From the information provided, Mr M engaged with the review and answered a series of questions, including whether he was being guided on what to do.*

*Revolut has provided Mr M's response to that question, as well as subsequent questions. I can see he told Revolut that no one was assisting or guiding him. And he selected 'something else' when asked to select from a list of payment purposes. 'Transferring to another account' was one of the available options. Based on the option selected, Mr M was shown a scam warning over a series of screens which he couldn't skip. This included telling him to be wary of unexpected calls, not to give anyone remote access, to do his own research before paying someone, and to never ignore these warnings even if someone tells him to.*

*At the end of the warning, Mr M was presented with the option of unblocking the payment or continue blocking it. Revolut says the payment was abandoned at this point, and the transaction wasn't processed. Looking at the account activity, it seems that the scammer attempted card payments to other merchants which they asked Mr M to approve in his Revolut app.*

*I've thought very carefully about what happened here. Revolut recognised that the blocked transaction carried a heightened risk of financial harm from fraud and took additional steps. In the circumstances of this case, and given payee and the transaction amount involved, I consider that the steps it took, i.e., establishing the nature of the transaction to provide a better automated warning, was proportionate to the risk involved.*

*Unfortunately, Mr M didn't respond to Revolut's queries accurately. For instance, he reassured the EMI that he wasn't being guided. We know now that he was being coached by the scammer on how to answer those questions. Revolut couldn't reasonably have known that Mr M's answers were inaccurate, given there were no other concerning factors about the payment.*

*It's arguable whether Revolut should have taken additional steps earlier than it did. But as it's clear that Mr M was being coached by the scammer, on balance, I'm not persuaded that an earlier intervention would have prevented the payments from being made.*

*After the initial intervention, Revolut did make additional enquiries a few payments later – this time on an electronic transfer the scammer asked Mr M to make through the app. Again, on the scammer's instructions, Mr M confirmed that he wasn't being guided, and that he was answering the questionnaire truthfully. When asked for the payment purpose, he selected 'paying a family member or friend'. He also confirmed he'd made a payment to the payee before using the same bank details.*

*After providing a scam warning, Revolut directed Mr M to its in-app chat feature for further probing by an agent. I've seen the communication between Mr M and the agent, and he again confirms he's not being guided. Mr M also tells the agent that he hasn't got all day. But before the chat continues, under the scammer's instructions, Mr M transfers money from his sole account to his joint account to make payments from that account.*

*Having carefully considered the circumstances in which the payments were made, and the level of coaching involved, I'm not persuaded that further probing by Revolut would have positively impacted Mr M's decision-making. This is not a finding I've made lightly. I do recognise that he was in a state of panic and was being influenced by the scammer. But Revolut couldn't reasonably have known that. As such, I can't fairly conclude that it should not have processed the payments which are being disputed.*

*Mr M has mentioned his vulnerability, and, in summary, he believes that due to this Revolut should refund him in full. I fully accept that Mr M's learning difficulty made him particularly vulnerable at the time he was scammed. But this isn't reason alone to uphold a complaint – the FCA guidance he's referenced doesn't set out an automatic refund for vulnerable scam victims. And, as I've previously mentioned, Revolut was not a signatory to the CRM Code which does offer greater protection for vulnerable customers. Even if it was, most of Mr D's payments would not benefit from the provisions of this Code as they were made by card and card payments aren't covered.*

*I've considered whether, during its interventions, Revolut could or should have taken different or additional steps given Mr M's vulnerability. But as it wasn't aware of his circumstances, and I don't consider there was anything during those interactions which ought to have put it on notice, it wouldn't be fair to expect reasonable adjustments to be made during the intervention.*

## **Recovery**

### **Card payments**

*For these transactions, the recovery avenue would have been limited to the voluntary chargeback scheme. I'm not persuaded that Mr M would have been able to recover the funds sent in this way. I say this because it's a common feature of the scam he's described that the merchant receiving the payment provides the goods or service requested by the scammer. So, the victim's funds are utilised for the scammer's benefit. A chargeback can only be raised against the merchant paid. In this case, it's more likely than not that the merchant would have been able to demonstrate that goods or services were delivered (albeit to the scammer).*

### **Transfers**

*Across the sole and joint accounts, there were four external transfers. In line with good industry practice in the UK at the time of these payments, I'd expect a sending payment service provider to contact the receiving payment service provider almost immediately upon receipt of its customer's scam claim. I consider within an hour of receiving sufficient information from the customer is a reasonable timeframe.*

*Here, Mr M's claim wasn't set up for almost two days following the scam notification call. And contact with the receiving bank wasn't made until after that. Having reviewed the information available, I can see that Mr M contacted Revolut within an hour of sending payments from the joint account. On notification of what had happened, Revolut told Mr M it needed him to file a report with the police and forward a copy before it could progress matters.*

*After Mr M's complaint was passed to me, I contacted Revolut informally and asked it about this delay. It said it was committed to conducting thorough investigations, and before initiating any recovery efforts with external banks it's vital that it carefully assesses the nature of the fraud and trace the flow of funds.*

*I've carefully considered Revolut's response. I don't dispute what it has said about needing sufficient information. This was a safe account impersonation scam which took place over a phone call. As such, there wouldn't have been any written scam correspondence which Mr M could share. I note that he did forward the phishing text message which he thought was how his details were compromised in the first place. Mr M also shared a screenshot of the call log on his phone.*

*While Revolut considers there wasn't enough evidence provided, I disagree. And I'm not persuaded that in this scenario a police report would provide any additional details about what happened. And, as far as I can see, no suggestion has been made that there were first party fraud concerns here. As such, I find that there were delays in Revolut attempting recovery of the funds sent externally via electronic transfers.*

*In response to Revolut's delayed recall request, the receiving bank confirmed that only £178.62 remained to be returned. But it's unclear whether more or all of the funds could have been recoverable if Revolut had contacted the bank when I think it should have. I gave Revolut the opportunity to request this information from the receiving bank several months ago, but its response suggests it's only done this within the last month.*

*I understand that Revolut hasn't yet heard back from the receiving bank. But it is for Revolut to demonstrate that its acts or omissions didn't cause detriment to chances of recovery. Revolut knows from previous correspondence on this complaint that, given how quickly Mr M reported the scam to it, I would reasonably assume all the funds sent via transfers would have been recoverable but for the delays on its part if I don't hear back by the deadline set. The deadline has now passed, and Revolut hasn't evidenced that its delay in reaching out to the receiving bank didn't cause detriment to chances of successful recovery.*

*As I'm satisfied that Revolut has had sufficient time, I intend upholding this aspect of Mr M's complaint. Revolut will need to refund the four external transfers – £9,125, £92, £85, and £8,250 – minus the amount the receiving bank has already returned.*

*Additionally, I consider interest should be added at 8% simple per year to the amount that needs refunding. This is to compensate Mr M for the loss of use of those funds. While I would expect Revolut to have contacted the receiving bank promptly, it's generally accepted that the process of returning funds can take some time. I think it's fair for the interest calculation to commence from 15 days after the date Mr M reported the scam (and recovery should have been attempted).*

### **Support provided to Mr M following scam notification and disclosure of vulnerabilities**

*While I don't think Revolut should have done anything differently at the time of the disputed payments because of Mr M's circumstances, I have some concerns about the support it offered following the scam notification.*

*Mr M disclosed his learning difficulty at the time of reporting the scam. He explained he struggled with processing written information. He also asked Revolut to discuss his scam claim over the phone on more than one occasion. Looking at the chat history between him and Revolut, I can see Mr M was advised several times that his request had been acknowledged, and a phone call would be arranged to discuss his case. But this didn't materialise, and he had to continue communicating via chat. Given Mr M's situation, there's no doubt that this would have caused him further frustration and distress.*

*I put this to Revolut and said that I intended to make a distress and inconvenience award of £250. It said it wasn't possible for its support team to immediately reach out to Mr M, and that in the end its investigation team proceeded in the best way it could to avoid further delays.*

*While Revolut has provided an explanation for why it couldn't contact Mr M by phone, it doesn't take away the additional adverse impact this had on Mr M. Revolut has previously said that for customers with learning disabilities it proactively offers phone calls. It has also acknowledged that Mr M's condition means that it is best to offer phone support. So, while I accept that Revolut had reasons for why it was unable cater to Mr M's needs on this occasion, it doesn't change the fact that its failure to provide adequate consumer support caused him further distress. He repeatedly told Revolut that he was struggling with new chat threads."*

I gave both parties a further opportunity to provide any comments or evidence for my consideration.

Mr M replied and said he accepted my findings. Revolut hasn't responded to my provisional decision, despite the investigator sending a reminder of the deadline I gave. This deadline has now passed. I'm mindful that concerns about evidence relating to recovery were first raised with Revolut over five months ago. Also, I communicated my intention to uphold Mr M's complaint on this aspect nearly two months ago. In the interest of being fair to both parties, I don't consider it necessary to give Revolut any additional time to make its representations.

### **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 I haven't been provided with any further comments or evidence to consider, I see no reason to depart from my provisional findings as set out in the previous section.

### **Putting things right**

As I've found that there were some failures here with regards to recovery and support provided post-scam notification, to put things right, Revolut Ltd needs to –

- Refund the four external transfers that were made from the sole and joint accounts, i.e., £9,125, £92, £85, and £8,250. From this refund, it can deduct £178.62 which has already been returned to him.
- Pay simple interest on the above refund (less any tax lawfully deductible), calculated from 15 days after the scam was reported (when recovery should have been attempted) to the date of settlement.
- Pay Mr M £250 compensation to recognise the additional distress it caused him by not accommodating his reasonable adjustment request.

### **My final decision**

For the reasons given, my final decision is that I uphold this complaint. I require Revolut Ltd to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss E to accept or reject my decision before 1 December 2025.

Gagandeep Singh  
**Ombudsman**