

The complaint

Miss C complains that Revolut Ltd (Revolut) won't refund the money she lost after she fell victim to a bank impersonation scam.

What happened

I'd like to reassure the parties that although I've only summarised the background, so not everything that happened or has been argued is mentioned, I have considered everything that has been submitted in its entirety.

Miss C has an e-money account with Revolut. She also has personal and business accounts with another financial provider. In March 2025, she received several phone calls from a number she didn't recognise. After not picking up the first few calls, she decided to answer. They said they were calling from the bank she holds personal and business accounts with.

She was told her card had been cloned and added to several phones. Miss C was told her business account had been compromised and frozen, as several suspicious payments had been attempted.

Miss C said she told the caller she needed to use the account. The scammers said they had direct contact with Revolut, so money could be moved across safely from her frozen accounts to her existing account with Revolut, for her to use.

She said the call became a three-way conversation, after she was told a member of Revolut had been added. Once the callers had assisted her in moving funds from her frozen accounts with the other bank, they explained the money was being moved internally to a safe place whilst they did security checks. Believing the callers to be genuine, Miss C authorised some payments, on the understanding that the funds were being held temporarily for the security checks to be completed. Unfortunately, Miss C had been contacted by scammers and had authorised payments from her account to different merchants.

The two disputed card payments and the four declined payments that took place on the day of the scam, are listed in the table below.

Payment	Time	Amount	Status
	14.45	£2,800.00	Declined
1	14.49	£2,275.00	Released
	14.50	£2,000.00	Declined

	15.00	£2,075.99	Declined
	15.00	£2,075.99	Declined
2	15.18	£3,331.37	Released

Miss C said she became suspicious when the scammers continued to ask her to move money across to Revolut. She hung up on the scammers and reported the call to her other bank, and Revolut. Miss C later complained to Revolut as she was unhappy that it had not done more to prevent her becoming the victim of a scam, given that the payments and activity on the account were so unusual for her. She was also unhappy Revolut didn't cancel the disputed payments on the account, given they were still showing as 'pending' when she reported the scam to it.

Revolut said that as Miss C authorised the payments, she was liable for them. It said Miss C didn't take any steps to verify the caller's identity. Revolut also said it did decline some payments and provided warnings, but Miss C ignored them. It concluded it had no dispute rights for the card payments under the relevant chargeback rules, and that it couldn't cancel the payment even if it was showing as pending.

Unhappy with the response, Miss C referred the complaint to the Financial Ombudsman Service.

Our Investigator said Revolut should have taken further steps before allowing Payment 2 to be processed. Had Revolut done this and asked Miss C questions about what she was doing, they felt she would've been honest when answering. Miss C would've then received written scam warnings that would've been relevant to her circumstances and it would've likely led to the scam being unravelled. The Investigator didn't think there should be any deduction to the award, and recommended a refund of Payment 2 in full, along with interest.

They didn't think Revolut did anything wrong in respect of trying to recover Miss C's payments. The Investigator said any chargeback would've likely failed as the payments went to genuine merchants who likely provided the goods (albeit not to Miss C).

Miss C accepted the Investigator's view, but Revolut disagreed. It said it took reasonable and proportionate steps to protect Miss C, and she subsequently acted to deliberately circumvent these protective measures. Revolut also said that Miss C's actions warranted a deduction to the award, as the scam itself was implausible, and that interventions from the bank where the money originated should be considered. Revolut said it was irrational to hold it solely liable for a payment, when it wasn't the only firm involved.

So, the complaint has been passed to me to decide.

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, I have decided to uphold Miss C's complaint. I'll explain why.

Firstly, I've noted Revolut's argument that Miss C ought to refer the complaint to the bank where the funds originated. I acknowledge Miss C could instead, or in addition, have sought to bring a complaint against that firm. But she has not chosen to do that and ultimately, I can't compel her to. I can only consider the complaint that has been brought to the Financial Ombudsman Service and, if appropriate, make an award against Revolut.

It has been accepted by both parties that Miss C fell victim to a scam. I think it's important to first set out that I'm in agreement with our Investigator that these payments should be treated as authorised. While Miss C may not have completed all the payments steps herself – she was of the understanding the scammer was 'temporarily moving' her funds, to keep them safe and so that security checks could be carried out. So, under the Payment Services Regulations (in this case the 2017 regulations), those payments would be considered authorised.

So, while I recognise that she didn't intend the money to go to scammers, 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 2017 Payment Services 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 in March 2025 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;
- 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 the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

With all of this in mind, I've considered the scam payments, and whether I think Revolut ought to have carried out any steps before processing them.

Revolut stopped the first attempted payment (see table above), which was to a cryptocurrency exchange, and said it prompted Miss C to engage with warnings and questions in the app. After warning the payment had a scam risk of over 99%, it said it invited Miss C to answer questions about it. Revolut said Miss C became unresponsive and did not continue with the process.

Merchants that accept card payments are required to have Merchant Category Codes (MCCs). This helps classify the business type for that merchant. Revolut said that as a result of Miss C not completing the in-app process, further payments to the same merchant (or those with the same MCC) were blocked.

Given the increased scam risk associated with payments linked to cryptocurrency, I think it was proportionate for Revolut to take the steps it did, by blocking the payment and future payments to similar merchants, until Miss C had engaged with their fraud prevention process in-app.

I understand Payment 1 was then made, but it wasn't linked to cryptocurrency, as it went to a travel agent. Unlike cryptocurrency related payments, I don't think a payment to a travel

agent (which has a different MCC), would carry the same level of risk. So, while I appreciate the proximity of Payment 1 to the declined cryptocurrency related payment, ought to have prompted some concern, I'm not persuaded Payment 1 exhibited such a significantly heightened risk of financial harm, such that Revolut ought to have intervened before letting it go.

However, I think Revolut ought to have taken further steps at the point of Payment 2. By this point I think an unusual pattern was forming in the context of Miss C's normal account usage – one that did indicate a heightened risk of financial harm. There had been one declined payment before Payment 1 – but by contrast there were three declined payments before Payment 2. The succession of these attempted payments was unusual, and the values of them were larger than the values of payments Miss C usually made. The activity was also being carried out quickly. An escalation in the values of payments, particularly in a short space of time, can often be an indicator that the account holder might be at risk of financial harm. Furthermore, looking at Miss C's account history over the previous 12 months, it was uncharacteristic for her to make large payments in this way. So, I think Revolut ought to have been concerned at the point it received the request to process Payment 2.

The Investigator felt that Revolut ought to have asked a series of questions about the payment, with a view to narrowing down the risk to Miss C, and then provided warnings tailored to that risk. I'm conscious though, Revolut had attempted to do that several times by the point of Payment 2. Each time Miss C had not proceeded to answer the questions and became 'unresponsive', and Revolut had blocked further payments connected to the MCC that was registered to the merchant.

By the point of Payment 2, Revolut had blocked three separate payments to firms with three different MCCs. I think this, along with the unusual pattern of payments and uncharacteristic activity I've previously mentioned, ought to have prompted Revolut to take further steps.

I don't think it should have allowed Miss C to make *any* further payments from the account, until she had engaged with the in-app process in full, or a Revolut member of staff had intervened. I've gone on to think about whether the scam would've come to light and Miss C's loss been prevented, had Revolut attempted to establish the circumstances of it, before letting Payment 2 go.

It's impossible to know with any certainty how Miss C would have responded to Revolut's questions. I've therefore considered the overall circumstances of what happened – along with what Miss C has told us about how the scam unfolded and what persuaded her to believe she was speaking to Revolut (and her other bank) – in order to reach a conclusion, on balance, on what I consider most likely to have happened.

Miss C receiving a specific warning would've depended largely on her accurately answering the questions that Revolut, whether automated or from a member of staff, posed.

However, I've not seen anything that would persuade me that Miss C would've misled Revolut about the true purpose of the payments. While I acknowledge the scammer would've likely been exerting pressure on Miss C, as is common in these types of scams, I'm not persuaded that she was so taken in by the scammer that she wouldn't have answered accurately or paid attention to Revolut's warnings. Miss C has also confirmed that she was not told what to say – and any suggestion that she should, would've alarmed her.

Miss C said she was processing the payment requests in quick succession, but now realises she was being kept busy, while the scammers were simultaneously giving her instructions over the phone. A common tactic in these types of scams is to get victims to at times act quickly, to avoid them having time to think.

While Miss C was carrying out the steps she was being asked to, the scammers would've had to have persuaded her to answer any questions inaccurately. I'm not persuaded Miss C was blindly following all the instructions from the scammer. On balance I think had Revolut interrupted the payment process for Payment 2 as I've outlined, I think it would've more likely than not, caused her to pause and consider the plausibility of the scam sooner.

The instructions the scammers gave Miss C were enough to satisfy her up to a point, before she became suspicious of the logic of what she was being asked to do and ended the call.

So to conclude, I think this suggests that had Revolut intervened at Payment 2, and not allowed any further payments until Miss C engaged with its intervention, Miss C would've likely been suspicious of any suggestion that she should answer the questions in a certain way, and it's more likely than not further questioning would have uncovered the scam, thereby preventing further loss. I should add that I have considered whether the bank where Miss C's funds originated intervened. It has confirmed that it did not intervene, so my findings remain as I've explained above.

I have thought about whether Miss C should bear any responsibility for her losses connected to these payments. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

I accept that Miss C's actions, in not completing the in-app fraud prevention process, made it difficult for Revolut to give her specific warnings about the particular (and fairly common) impersonation scam that she was falling victim to.

However, this question of contributory negligence must be addressed in the light of all the circumstances.

Revolut says that Miss C should simply not have found the scam plausible to begin with. But the scam was not without sophistication – not least the 'spoofing' of a genuine phone number of a bank (though I acknowledge Miss C only checked at the time that the number was not linked to a scam). Miss C was targeted by scammers who knew enough about her to tailor their approach accordingly and make the scam convincing. She references the knowledge of her personal and account details, and the structure of the call matching other genuine bank calls, as being persuasive in her believing it was legitimate. I think a reasonable person would find these factors persuasive in deciding that the call was genuine (as Miss C did).

I think it's important to remember that Miss C thought that she was acting in part to avoid serious financial harm. Miss C was also concerned that she wouldn't have access to the frozen funds, which she needed to pay bills for her business. Whether it was always the scammers' intention is unclear, but this was clearly used to give the impression that they were working with Miss C and her other financial provider (Revolut) to resolve these issues. I don't think it would be implausible that two financial providers would be working together to combat fraud. I also don't think the scammers allowing her to move money to another account of hers with Revolut, ought to have alarmed Miss C or caused her to be suspicious. On the contrary, I think it added to the narrative that her bank was acting with her best interests at heart.

I recognise there were parts of the scam that were less plausible. Miss C was told once she had moved money from her frozen accounts to Revolut, she had to approve payments to allow Revolut to temporarily carry out security checks on the funds. She also didn't continue with the fraud prevention processes that Revolut did implement on some payments.

However, it's difficult to overestimate the stress that can be caused by bank impersonation scam calls, where an environment of panic is created, and the victim feels pressured into following instructions to keep their money safe.

At the point of making the payments, Miss C had been on the phone for several hours, which suggests a significant level of social engineering had taken place. This is designed to wear down victims, almost to the point of becoming robotic in carrying out the multiple steps being asked of them. So, I'm not persuaded that Miss C was intentionally or deliberately avoiding completing the fraud prevention measures that Revolut did put in place. I think that the social engineering, rather than, for example, a disinterest or level of negligence, explains why Miss C was carrying out the steps she was being asked to do.

Having weighed it all up, I'm satisfied that Miss C was the victim of a convincing scam, and I don't think her actions reasonably contributed to her loss here. As such, I don't consider it appropriate to apply a deduction for contributory negligence in this case. Ultimately Miss C was the victim of a scam, which Revolut has accepted here, and there isn't any evidence to indicate she was deliberately circumventing their controls on purpose.

Could Revolut have recovered any of Miss C's payments?

As Miss C's losses originated from debit card payments, the only potential route to recovering the money she lost was via a chargeback. However, it seems Miss C paid legitimate merchants, and it is likely those merchants provided the services asked of them, just not for the benefit of Miss C.

Due to this I don't consider it likely that a chargeback claim would've succeeded, so Revolut wasn't wrong to refuse to pursue this for Miss C.

I appreciate Miss C has also expressed concern that Revolut didn't stop her payments when she first notified it that she'd been victim to a scam, even though the payments were showing as pending. But I'm satisfied there was in fact nothing further Revolut could do to stop the payments once they had been approved by Miss C. A debit card payment shows as pending once the sending bank has processed and approved it – the funds have been earmarked and are awaiting collection by the merchant. There are only limited circumstances in which a pending payment can be cancelled. As Miss C authorised the payments and had sufficient funds available, I don't think Revolut made an error in allowing the merchant to collect the funds. The merchant wasn't the perpetrator of the scam here, a third party was.

Putting things right

To resolve the complaint, Revolut Ltd should:

- refund Payment 2 (£3,331.37); and
- should also apply 8% simple interest, calculated annually, from the date of the payments 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 Miss C how much it's taken off. It should also give Miss 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 explained above, my final decision is that I uphold this complaint. Revolut Ltd needs to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 2 March 2026.

John Ryan
Ombudsman