

The complaint

Miss D is complaining that Revolut Ltd hasn't refunded payments that were made from her account when she fell victim to a scam.

What happened

The circumstances of the scam are known to both parties, so I won't set them out in detail here. But in short, on 15 May 2024 Miss D fell victim to a sophisticated scam, when was contacted by phone by someone (the scammer) who, initially persuaded her they were calling from Revolut and then said they were connecting her with her bank so that her bank account could be secured. The scammer explained that her accounts had been compromised and Miss D was tricked into moving funds from her bank account into her Revolut account, from where the disputed payments were made, as follows:

Payment	Destination	Amount
1	Merchant 1	2,527.74 USD
2	Merchant 1	£4,000
3	Merchant 2	£500
4	Merchant 2	252.95 USD
5	Merchant 3	17.27 USD

I've not listed them above but there were also a number of payments which were attempted and declined before and during the scam. The payments that were completed were all online payments made by debit card and were confirmed using Revolut's stronger authentication process through its app. The payments were made over the course of around two hours.

After Payment 1, another payment was attempted, and Miss D's account was blocked. Revolut's records show that Miss D was connected to its online chat and provided a selfie (including a security code given to her by Revolut in the chat) which unblocked her account. Miss D says she was instructed to take these steps by the scammer, thinking it was to protect her account. Following this, two payments of £4,000 were attempted to the same merchant. Revolut declined attempted payments and froze Miss D's card. However, the card was then unfrozen via Revolut's app and Payments 2 to 5 were made.

Miss D says she didn't realise payments had been made from her Revolut account until she logged into her app and saw they'd left the account. She reported what had happened to Revolut and asked to discuss it over the phone. Revolut offered to arrange a call for her and gave her an expected time, but it didn't call her.

Miss D complained to Revolut and it issued its final response. It explained, in summary, that the disputed payments had been authenticated through its stronger authentication process,

and it didn't think there were grounds for it to raise chargebacks with the relevant merchants – so it wouldn't be refunding the payments. Miss D brought her complaint to the Financial Ombudsman Service.

Our Investigator thought Miss D's complaint should be upheld. She said, in summary, that she thought Miss D had authorised the payments, but Revolut ought to have identified a scam risk and intervened further when Payment 2 was attempted, by declining it and contacting Miss D directly through its in-app chat to ask Miss D about the circumstances of it. She thought that if Revolut had done that, the scam would have been uncovered, and Payments 2 to 5 would have been prevented. So, she asked Revolut to refund these payments to Miss D, with 8% simple interest per year. She also thought Revolut should pay Miss D £75 for the way it had handled her scam report, including agreeing to call her and then not doing so.

Revolut didn't agree with the Investigator's view. It said, in summary, that it had relied on action taken by Miss D prior to Payment 2 in providing a selfie to unblock her account, confirming that she hadn't shared any details with anyone, and unfreezing her card, and as such its systems hadn't deemed that any further payments were a risk.

Miss D's complaint has now been passed to me for review and a 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, I've reached the same outcome as the Investigator – and for much the same reasons.

Did Miss D authorise the disputed payments?

The relevant law here is the Payment Services Regulations 2017 (PSRs) – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised payments. Miss D disputes authorising the payments, so I'll address this point first.

The PSRs specify that authorisation depends on whether the payment transactions were authenticated correctly – and whether Miss D, or someone acting on her behalf, consented to them.

The PSRs go on to specify consent must be given in the form, and in accordance with the procedure, agreed between Miss D and Revolut. I've reviewed the terms of Miss D's account with Revolut but they don't specify exactly how Miss D gives consent to online card payments. But broadly speaking, this is usually through entering the long card number, the card expiry date and CVV into the merchant's website.

It's not clear how the scammer gained access to Miss D's card details, although looking at the overall circumstances of the scam I think the scammer was most likely in possession of the card details prior to the scam calls. So, it seems it was the scammer who gave the payment instructions using Miss D's card details. If this was the case, then Miss D didn't agree to the payment instructions. But Revolut says the payments were authorised because Miss D confirmed the payments using its stronger authentication process.

Revolut has sent us some screenshots to show that the process flow here has steps which

involve receiving a notification showing a payment is waiting to be reviewed, which then opens a screen asking for the payment to be reviewed. The payment amount and who it's being made to is shown on the screen with an option to confirm or reject the payment.

I've seen evidence that the disputed payments were approved on a mobile device which matched the model used by Miss D, had been registered with Revolut since 8 April 2024 and was used to access its app until July 2024. I must conclude that this is Miss D's device, which remained in her possession throughout. This was the only device that accessed Miss D's account through the app at the time the disputed payments were made.

I appreciate that Miss D says she didn't know about or approve the payments, but this wouldn't explain how Revolut's records show the payments being approved through the app on her own device. Overall, I think it's likely Miss D did approve the payments using the stronger authentication process Revolut has outlined.

Although Miss D says she didn't enter her card details or approve the payments, I'm satisfied that the payments were correctly authenticated using her card information and stronger authentication. I appreciate that it's likely she took the steps to approve the payments after being tricked into doing so by the scammer. But this isn't a consideration under the rules. So, I think it was reasonable for Revolut to consider the payment instructions to be genuine and to process the payments. As such, it's reasonable it to treat the payments as having been authorised and it's not obliged to provide a refund.

Should Revolut have identified a scam risk and intervened?

I've concluded that the payments were authorised, so I've gone on to consider if Revolut should have done anything to prevent the payments.

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.

I've thought about this point carefully. Miss D had held an account with Revolut for some time, and used it fairly regularly, so Revolut did have some information to establish if the payments appeared to be unusual. Miss D had made some payments of a similar value to Payment 1 before, but I can't see that she had made a payment of a similar value to Payment 2. Overall, I agree with the Investigator that I wouldn't have expected Revolut to have intervened when Payment 1 was made.

Revolut has told us it did identify some risk in the account activity and as a result it took some steps to reassure itself that Miss D wasn't falling victim to fraud prior to Payment 2 being made. It's told us that it was suspicious about what was happening because two payments to a different merchant were declined due to the contactless option being deactivated and reactivated, there was an attempt to add a new device to the account, a separate card payment was reverted by the merchant and two top ups into the account had failed.

After Payment 1, Revolut blocked Miss D's account and Miss D entered into an online chat with it. She says she was told by the scammer that she'd need to supply a selfie to his Revolut colleague to protect her account.

Revolut asked Miss D about the devices she used to access her account and Miss D confirmed the devices were her own. Miss D was asked to provide a selfie showing the security code given in the chat, which she did. And Revolut then asked Miss D:

Did you share any account details through a phishing link/unusual text/call/email or with your family/friends? This includes your card details, email password, account passcode or selfie.

Miss D replied to say she hadn't. And Revolut unblocked her account.

Payment 2 (for £4,000) was then attempted. It was declined, firstly because stronger authentication wasn't requested and then by Revolut's security system. At this point Revolut froze Miss D's debit card. Miss D then completed a process in the app to unfreeze her card. I can see during this process, she would have confirmed she recognised the transaction and been shown a screen which said the following:

Beware of scammers: If someone is claiming to be from Revolut and telling you to do this, cease all contact and terminate the card.

While Revolut did take some steps to satisfy itself that the payments weren't being made as a result of fraud, these steps appear to be primarily to check that it was Miss D making the payments. But I think Revolut should also have been concerned about the potential that the payments were being made as part of a scam by a third party who had access to Miss D's

card details but had contacted her to trick her into authorising the payments in the guise of protecting her money. I think the activity on the account that had raised Revolut's suspicions, should have alerted it to the potential for such a scam. So, I don't think the actions it took to satisfy itself that Miss D had control of her card and device went far enough here.

Although Miss D would have been provided with a screen which gave a brief written warning about the type of scam she was experiencing, it's clear this warning wasn't sufficient to have the necessary impact on Miss D. She was under a lot of pressure to act quickly during the call. I can understand that she believed she was speaking to a representative of Revolut and was acting on their instructions.

Having thought carefully about the risk presented, I think a proportionate response to that risk would be for Revolut to have further attempted to establish the circumstances surrounding Payment 2 before allowing it to debit Miss D's account. I think it should have done this by, for example, directing Miss D to its in-app chat to discuss the payment further.

Whilst I do accept that Miss D, up until this point, had been following the scammer's instructions, I'm also bearing in mind that I've not seen any indication that Miss D was provided with a detailed cover story by the scammer which was likely to have withstood a direct intervention through a real time conversation with Revolut. I'm taking into account that Revolut had already asked Miss D a question about whether she'd shared her account details and she'd answered no. But at that point, I don't think she had knowingly shared any of her details with a third party, so I don't think she intended to mislead Revolut with this answer.

Once Miss D had been directed to the in-app chat, Revolut should have asked open-ended and probing questions about the circumstances of the payment and explained the context around any questions it asked. I think it should have assessed any information it was given, such as anything unusual or implausible in Miss D's answers or any reluctance to answer questions. And I think it should have been aware of the possibility that a customer is being guided through the process by the scammer and taken steps to identify where that was taking place.

Revolut would have been familiar with the circumstances of similar 'safe account' scams and in a real time conversation, I think it would likely have been identified that the person Miss D was on the phone to wasn't from Revolut and be able to provide a clear warning that it would never ask her to move money to keep it safe, and that she was likely falling victim to a scam. And on the balance of probabilities, I think it's likely this would have prevented Miss D from continuing.

Overall, I think that an in-app chat with Revolut would likely have identified the scam and Miss D's loss from Payment 2 onwards would have been prevented.

Is it fair and reasonable for Revolut to be held responsible for Miss D's loss?

In reaching my decision about what is fair and reasonable, I have taken into account that the payments that funded the scam were made from an account at another regulated financial business.

But I think that Revolut still should have recognised that Miss D might have been at risk of financial harm from fraud when she made the payment, and in those circumstances Revolut should have made further enquiries about the payment before processing it. If it had done that, I am satisfied it would have prevented the losses Miss D suffered. The fact that the money used to fund the scam came from elsewhere does not alter that fact, and I think Revolut can fairly be held responsible for Miss D's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against the firm that is the origin of the funds.

Ultimately, I must consider the complaint that has been referred to me and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Miss D's loss from Payment 2 onwards (subject to a deduction for consumer's own contribution which I will consider below).

Should Miss D bear any responsibility for her losses?

I've considered whether Miss D should share any liability for the preventable loss under the principle of contributory negligence, because her actions fell short of the standard of care that would be expected of a reasonable person in these circumstances. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Having thought carefully about this, I don't think it's fair to expect Miss D to share liability equally with Revolut.

This was a sophisticated scam which Miss D says she initially found believable because the caller had information including personal details about her and knew the last four digits of her card number. They also knew about her accounts with her bank. Miss D had also had some difficulty in withdrawing money from her bank account the day before the scam, which went further to convincing her that there was a problem with her accounts. The starting point here is that when the payments were made Miss D was convinced she was talking to Revolut and then her own bank, and from the overall circumstances I can understand why she was convinced she was.

Revolut has told us that it thinks Miss D was negligent because she didn't disclose that she had shared a passcode with the scammer when it asked. But when Miss D has referred to sharing a code, she's talking about the security code that Revolut gave her to add to her selfie to unblock her account (she initially thought this chat was with the scammer pretending to be Revolut when the scam was first reported). And the question about disclosing information was asked within the same chat. I don't think Miss D shared a passcode with the scammer, and at the time she thought (rightly) that she was sharing the security code with Revolut. So, I don't think she's shared a passcode which led to the payments being made and I don't think she's misled Revolut in how she's answered this question.

I understand Revolut's point about Miss D unfreezing her card but having considered all the circumstances I'm satisfied she followed this process after she was convinced by the scammer that any of the actions she was taking were to keep her account safe. If Miss D had paid close attention to the individual screens she may have questioned what was happening further, but under the high pressure of the situation and given that we're aware

that these scammers use clever distraction techniques to prevent their victims realising what they're doing in these sorts of scenarios, I wouldn't necessarily conclude it was negligent for her to have taken this action.

Overall, I'm satisfied that Miss D fell victim to a sophisticated scam, which took place over a short period of time. In such a pressurised situation I don't think it's unreasonable that Miss D didn't realise she was the victim of fraud. It follows that I don't think Miss D should share liability with Revolut for her loss.

Could the payments have been recovered?

When a payment has been made by debit card it can't be recalled or cancelled, even in a pending state.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules.

Revolut didn't raise chargebacks when Miss D disputed the payments, but I'm satisfied that there would have been little prospect of chargebacks being successful here. I say this because I've concluded the payments were authorised by Miss D, and also because the payments were made to what appear to be legitimate merchants which would likely have provided the goods paid for (albeit not to Miss D).

The service Miss D received from Revolut

I can see that Miss D asked Revolut to call her to discuss the scam; due to the involvement of the online chat in the scam she was wary of discussing what had happened through it or providing any further selfies. Revolut did offer to call Miss D and arranged a time to do so - but then it didn't call her. Revolut has told us that it didn't call Miss D because it carries out these functions through the online chat, and while I understand this may be the case, it shouldn't then have offered a call to Miss D that it didn't intend to make. Considering the impact this would have had on Miss D, I think the £75 compensation recommended by the Investigator is fair and reasonable in the circumstances.

My final decision

My final decision is that I uphold this complaint.

To put things right Revolut Ltd should:

- Refund Payments 2, 3, 4 and 5 to Miss D;
- Apply 8% simple interest per year to the refunded payments from the date of the transactions to the date of settlement (less any tax lawfully deductible); and
- Pay Miss D £75 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 19 February 2026.

Helen Sutcliffe
Ombudsman