

The complaint

Ms N is complaining that Revolut Ltd hasn't refunded a payment made from her account as a result of a scam.

What happened

In July 2024 Ms N fell victim to a scam after listing an item for sale on an online marketplace. She received a message which she thought was from the marketplace, asking her to verify her card details to receive a payment. The message said that she would receive a push notification in her banking app which was to place a hold on funds for security purposes, before she received the payment from the item she'd sold.

Ms N entered her Revolut card details into what she thought was the genuine marketplace's website and then confirmed the push notification from Revolut. Shortly afterwards, she realised a payment of 360 euros had been made to a merchant she didn't recognise.

Ms N contacted Revolut to dispute the payment. Revolut replied to say that it hadn't found any evidence of fraud as the payment had been approved in its app through its stronger authentication process.

Ms N raised a complaint with Revolut and when it didn't change its position, she referred her complaint to the Financial Ombudsman Service.

Our Investigator looked into Ms N's complaint, but she didn't think it should be upheld. She said, in summary, that the payment didn't look unusual or suspicious such that Revolut should have intervened due to identifying a scam risk, and she didn't think Revolut ought reasonably to have done anything else to recover the payment.

Ms N replied with a substantial response. For the purposes of this decision, I've summarised the main points of her disagreement as follows.

- She didn't intend to make the payment to this merchant and so didn't provide true, informed consent for the payment and therefore it wasn't authorised.
- The transaction bore clear hallmarks of fraud and should have been flagged as suspicious by Revolut's security systems.
- Revolut failed to act, support and communicate clearly in how it handled the payment and her complaint.
- Revolut didn't give any guidance about what type of chargeback to raise and there was no opportunity to change this or escalate the issue.

Ms N'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.

I'm aware that I've summarised this complaint in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it but I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Did Ms N authorise the payment?

The relevant law here is the Payment Services Regulations (PSRs) 2017 – 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. Ms N disputes authorising the payment, so I'll address this point first.

The PSRs specify that authorisation depends on whether the payment transaction was authenticated correctly – and whether Ms N, or someone acting on her behalf, consented to it.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Ms N and Revolut. Under the PSRs consent is an objective test and doesn't depend on the consumer being fully aware of the details of the payment – such as its purpose or destination - at the time they complete the procedure for giving consent.

I've reviewed the terms of Ms N's account with Revolut but it doesn't specify exactly how Ms N 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 and completing a stronger authentication process if prompted. And I note that Ms N appears to have made online payments using her Revolut debit card before so would likely have been aware of the form and procedure required to do so.

Here it seems that Ms N was tricked into sharing her card details with the scammer through a fake 'pop up' screen which she thought was part of the marketplace, and then the scammer entered her card details into the merchant's website. So, Ms N didn't agree to this payment instruction, but Revolut says the payment was authorised as Ms N confirmed the payment in its app.

Ms N said she wasn't aware she was making a payment, and I can see that the message she received from the scammer told her that the money would be briefly frozen to check the card's validity. Revolut has sent us some screenshots to show that the process flow here has steps which involve being shown a notification which says a payment is waiting to be reviewed, which then opens a screen in the app 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. So, I think it would have been clear that Ms N was approving a payment when she pressed confirm.

Although Ms N didn't enter her card details to make the payment, I'm satisfied that the payment was correctly authenticated using Ms N's card information and the stronger authentication process. I think that by completing these steps, Ms N represented to Revolut

that the payment instruction was genuine and it was reasonable for Revolut to rely on this to process the payment. I appreciate Ms N was tricked into taking these steps, but as I've explained this isn't a consideration in whether the payment was authorised under the rules. So, it's reasonable for Revolut to treat the payment as having been authorised and as such it isn't obliged to provide a refund.

Should Revolut have recognised a scam risk and intervened?

I've concluded that the payment was authorised, so I've gone on to consider if Revolut should have done anything else to prevent the payment Ms N made to the scam.

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, and the different risks these can present to consumers, when deciding whether to intervene.

I've also kept in mind that Revolut processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Revolut does have systems in place to look out for transactions and account activity that could indicate their customer is at risk of financial harm through a fraud or scam. But I wouldn't have expected it to have identified a scam risk here.

I say this because the value of this payment was not significant in the context of the payments Revolut processes every day, and it simply wasn't of a value where I'd expect Revolut to have taken a closer look at it. Ms N had held her account with Revolut for some time, she had made payments of a similar value before, and it wasn't unusual for her to make payments in euros. So, this payment wouldn't have appeared out of character for her. Overall, I don't think this payment ought to have caused Revolut to be sufficiently concerned about a scam risk that it ought to have taken a closer look at the circumstances or

destination of the payment, or have intervened with a warning, or by contacting Ms N directly.

I appreciate that Ms N's told us that she feels the merchant itself is fraudulent, but I've not found any persuasive evidence of this, and I wouldn't have expected Revolut to have identified any concerns about the merchant from the information it had about this payment when it was made.

Could Revolut have done more to recover the payment?

The payment was made by debit card, and as such once it had been authorised it wasn't possible for Revolut to cancel it, 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.

Ms N disputed the payment through selecting a fraud chargeback and when it became clear that Revolut considered the payment to be authorised, Revolut wouldn't then allow her to raise a dispute chargeback, on the basis that goods or services hadn't been received.

I've read the online chat between Revolut and Ms N, and I can understand Ms N's frustration with the responses she received from Revolut in relation to the chargeback request. But I don't think it makes a difference in whether the payment could have been recovered. I say this because even if Ms N had been able to request that Revolut raise a chargeback on the grounds that goods or services hadn't been received, I can't conclude that it ought reasonably to have done so, because I don't think a chargeback had any reasonable prospect of succeeding here.

I say this because I can see from the merchant code used that the payment appears to have been a money order in relation to foreign exchange or cryptocurrency, where the service is provided in the processing of the payment. So, I think even if a chargeback had been raised, the merchant would most likely have been able to demonstrate that it had provided the relevant service.

The service Ms N received.

Ms N has mentioned that Revolut wouldn't discuss what had happened over the phone or provide her with the evidence she asked for in the format she required. Revolut is clear that it offers a digital account where communication is primarily carried out online and so I don't think it's unreasonable that it didn't agree to a phone call in these circumstances. I can understand why Ms N wanted Revolut to provide a more detailed explanation of how it reached its decision about her scam claim, but it did promptly provide her with a clear decision that it wouldn't be refunding the payment. And after reviewing the online chat including her requests for pdf versions of the relevant correspondence I don't think there are any grounds on which I could reasonably ask Revolut to pay Ms N any compensation for the service it provided here.

I'm sorry to disappoint Ms N as I can see that she feels strongly about what's happened here. And as the victim of a cruel scam, I can understand why she'd think she should get her money back. But I've not found that there are any grounds for me to direct Revolut to refund the disputed payment to her.

My final decision

My final decision is that I'm not upholding Ms N's complaint.

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

Helen Sutcliffe
Ombudsman