

The complaint

Miss D is unhappy that Revolut Ltd has refused to refund the money she lost after falling victim to a scam.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- In May 2022, Miss D received a call from someone who said they worked for a bank with which she held an account but who, ultimately, turned out to be a scammer. The scammer persuaded Miss D that she needed to move her money to a safe place. They coached her to move a total of £9,900 from her bank account into her Revolut account and then on to another account.
- Revolut had concerns about the £9,900 payment Miss D attempted and showed her some scam warnings, but she proceeded with the payment anyway. Revolut said it gave Miss D sufficient warnings that she might be falling victim to a scam and so refused to refund any of the money she'd lost. The account to which Miss D sent the payment was also a Revolut account, but only £1 remained at the point that Miss D reported the scam – this was returned to her.
- Our investigator thought Revolut ought to have done more to protect Miss D and prevent her losses. But he also thought Miss D was partly to blame. So he recommended that Revolut refund 50% of her loss along with interest. Revolut disagreed, so the case has come to me.

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, for much the same reasons. I think Revolut should refund 50% of the money Miss D lost to the scam (along with interest) and I've reached this conclusion having taken the following into account:

- Miss D has had some difficulty remembering exactly what happened during her call with the scammer and, at times, she's suggested that she didn't make the payment herself. But I'm satisfied, from the evidence Revolut has provided, that it's more likely than not Miss D authorised the payment using her mobile banking app. So although she didn't intend the money to go to the scammer, under the Payment Services Regulations 2017 and the terms and conditions of her account, Miss D is presumed liable for the loss in the first instance. But the matter doesn't end there.
- Revolut should also be on the lookout for, and help to prevent, payments that could involve fraud or be the result of a scam. But a balance must be struck between identifying payments that may indicate a customer is potentially at risk of financial harm –

and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

- The payment Miss D made was significantly unusual and out of character given the way she usually operated her account and I think it rightly triggered Revolut's fraud detection systems. I've considered carefully the warnings that Revolut displayed and note they shared some characteristics with the situation in which Miss D found herself. But I'm also conscious the scammer was guiding Miss D through the payment and applying pressure. So I can understand why the on screen warnings didn't have the desired effect. In the circumstances, I think Revolut ought to have done more to satisfy itself that Miss D wasn't falling victim to a scam and should have made in-person contact before unblocking the payment.
- I've seen nothing which suggests Miss D wouldn't have been truthful if Revolut had made in-person contact with her and discussed why she was making the payment. I think she would have explained what she was being told to do in order to protect her money. And the situation she would likely have described bore all the common hallmarks of a safe account scam. So I think Revolut could have uncovered the scam and prevented her losses.
- Shortly before the scammer called her, Miss D had disclosed some of her banking details thinking she was paying some postage costs, but this was actually a phishing exercise. This meant the scammer knew some of her banking details (albeit not ones relating to her Revolut account) and they also called from a spoofed phone number. This helped the scammer convince her the call was coming from a genuine bank employee. So I can understand, to an extent, why she believed her account was at risk and why she followed the scammer's instructions initially. But, like the investigator, I think she ought to have had some concerns along the way about what she was being asked to do. So I think she should bear some responsibility for her losses.
- I don't think anything relating to the receiving account ought to have prompted Revolut to prevent the payment from being made. And I think Revolut did enough, after being notified about the scam, to recover the remaining money.

My final decision

My final decision is that I uphold this complaint in part. I instruct Revolut Ltd to pay £4,950 to Miss D along with interest calculated at 8% per year simple from the date the payment was made to the date of settlement.

If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from the interest award, it should tell Miss D how much it's taken off. It should also give her a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs, if appropriate.

Revolut should settle the matter within 28 days of receiving notification of Miss D's acceptance of my final decision

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 31 August 2023.

Ruth Hersey
Ombudsman