

The complaint

Mr C complains that Revolut Ltd (Revolut) declined to refund a card payment that was lost to a 'safe account' scam and which he says he didn't authorise.

What happened

In summary, Mr C says he was contacted, in March 2023, by someone pretending to be from a bank ('N') with which he held a personal account – using a tactic known as 'spoofing'.

He was led to believe his personal account with N was at risk of fraud and that he needed to follow the caller's instructions to secure his money by moving it to a 'safe account'. As a result, he opened a new Revolut account and downloaded its app to his mobile device.

He transferred his money from N by topping up his new Revolut account with four Apple Pay transactions – and a card payment for £1,878 was then made from the Revolut account to Mercuryo.io (a legitimate merchant) which Mr C says he doesn't recognise.

Unfortunately, this all turned out to be a scam. When Mr C reported the matter to Revolut on 22 March 2023 he was told to raise a chargeback claim – but this was declined on the same day. A complaint was also later declined by Revolut and referred to our Service.

I've listed below the transactions as they appear on Mr C's account statement.

Date	Time	Transaction type	Credit/Debit	Payee	Amount
15-Mar-23	18:57:28	Top Up	Credit	Revolut	£800
15-Mar-23	18:57:44	Top Up	Credit	Revolut	£800
15-Mar-23	18:59:34	Top Up	Credit	Revolut	£100
15-Mar-23	19:01:31	Top Up	Credit	Revolut	£179
15-Mar-23	19:05:35	Card Payment	Debit	Mercuryo.io	£1,878

Our Investigator considered the complaint but didn't uphold it. In his view, the payment from the Revolut account was more likely than not authorised by Mr C and he wasn't persuaded the payment was significantly large or unusual such that Revolut ought to have intervened. He also found it was very unlikely that a chargeback claim would have been successful.

As Mr C disagreed, the matter 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've decided not to uphold it for the same reasons as the Investigator.

Authorisation

- I've first considered whether the payment should be treated as authorised, in line with the relevant regulations – the Payment Services Regulations 2017 (PSRs). This is important as Mr C would generally be liable for authorised payments and Revolut would generally be liable for unauthorised payments. In broad terms, as set out in the PSRs, a payment would be deemed authorised if the account holder completes the agreed steps to make a payment or gives someone access to complete those steps on their behalf.
- In this case, Revolut has provided evidence to show only one device was used to register and access the new account. And I can see the registered device was the same make and model as the one Mr C has told us he used to open the account. It has also sent evidence to show the payment was authenticated via its in-app 3DS screen after a notification was sent to the registered device. This means the payment must have been made by someone with physical access to that device, and there's nothing to suggest an unauthorised third-party was in possession of Mr C's device at the time.
- Revolut has also provided screenshots of what the 3DS screen would have looked like for the steps that needed to have been completed to allow the payment to be made. This screen would have shown the merchant name (in this case, Mercuryo) and the payment amount with a minus sign in front of it. I think it would have been clear enough that the steps being followed were to allow a payment to be debited from the account.
- I note Mr C maintains the payment out of his Revolut account wasn't authorised by him. He's told us he doesn't remember making it or sharing his details to allow anyone else to make it – and he only noticed a payment had been made (and he became aware of the merchant) after he'd logged back into his Revolut account. He believes establishing the IP address of the location from which the payment was made is significant here.
- On the evidence, however, and without a plausible explanation as to how the scammer may have compromised Mr C's credentials or was able to complete the 3DS for the payment to be made from the registered device, all without his knowledge, I think it's more likely than not Mr C was aware a payment was being made out of the account and authorised it. I appreciate it's possible he might have been tricked by the scammer into thinking this step was needed to move the money again in order to keep it safe. But, for the purposes of the PSRs, I'm satisfied there's enough evidence for this payment to be deemed as authorised.

Prevention

- The starting point under the PSRs is that a customer is liable for the payments they've authorised. But there are some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly out of character.
- As noted above, the Revolut account was newly opened. As such there's no earlier activity on which I can reasonably conclude that Revolut ought to have intervened on the basis that the card payment should have appeared as significantly out of character in comparison to previous spending. There's also a balance to be struck. A business can't reasonably be expected to intervene on every transaction unless it represents a heightened risk of financial harm. And taking into account the value and the information surrounding the payment, I don't think there's enough here to say the transaction should have indicated such a risk, to the extent that it ought to have triggered Revolut's fraud prevention systems.
- I'm sorry Mr C was the victim of such a cruel scam and I'm mindful of the impact this

whole experience has had on him at a particularly sensitive time, but I don't consider it would be fair and reasonable to hold Revolut liable for his loss in these circumstances.

Chargeback

- I can also understand Mr C's disappointment that his chargeback claim was declined in a matter of hours. But given the card payment was used to pay a legitimate merchant (Mercuryo is a payment processor) it's unlikely such claim would have been successful because the merchant had provided the payment service as intended. I don't therefore think that Revolut acted unfairly by not pursuing a chargeback claim.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 30 April 2024.

Thomas Cardia
Ombudsman