

The complaint

Mrs N complains that Revolut Ltd won't refund the money she lost when she fell victim to a scam.

What happened

Mrs N received a call from someone claiming to be from Amazon, who said her Amazon account had been hacked. Unfortunately, the caller was actually a scammer.

As part of the scam, Mrs N was persuaded to open a Revolut account. She transferred funds in from another bank account she held. Then she sent the funds on to an individual who the scammer said was an Amazon finance manager.

Once Mrs N realised she had been scammed, she reported this to Revolut. She complained it was holding her liable for the payments. Revolut said it wasn't at fault as it had warned her about the scam risk and she had authorised the payments.

Unhappy with this response, Mrs N referred the matter to our service. Our investigator didn't uphold the complaint. He thought Revolut had issued proportionate warnings based on the risk it had identified, so wasn't at fault for processing Mrs N's authorised payment requests. Nor did he think it missed a chance to recoup her loss, aside from £0.91 which it did manage to recall.

Mrs N has appealed the investigator's outcome, so the case has been passed to me. She doesn't think Revolut has done enough to protect her, and queries why it couldn't recall (more of) her funds.

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 conclusions as the investigator for these reasons:

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. While Mrs N was clearly tricked, it's agreed that she authorised the payments. So the starting position is that she is liable for them.

That said, there are circumstances when it might be appropriate for Revolut, as an electronic money institute (EMI), to take additional steps before processing a payment due to identifying a fraud risk. I've considered whether it did identify (or should have identified) such a risk here, and, if so, whether it responded proportionately.

Generally, an indication of fraud might include when a payment is made that is significantly out of keeping with the normal use of the account. In this case, Mrs N had only just set up the account. So Revolut had no prior knowledge of how she normally transacted.

That said, Mrs N did send a reasonably substantial amount, via three payments, shortly after opening the account. So I've looked at what action Revolut took to help protect Mrs N from the risk of fraud.

When Mrs N added the payee to her account, Revolut displayed a general warning about fraud. And when Mrs N made the first payment to that payee, Revolut checked what the payment was for – and displayed a tailored warning based on the types of scams most associated with that payment reason.

Neither side has been able to confirm/recall what payment reason was given. But on a connected case, Mrs N said the scammer had guided her on what to select. So it's unlikely she would have put down anything which looked particularly suspicious. And regardless, she was still shown a warning relevant to the payment reason she gave; Revolut wouldn't have known if this was misleading.

Overall, Revolut did identify a level of risk associated with the payment journey. It showed Mrs N a general warning about fraud, as well as a warning tailored to the payment reason given. I consider that proportionate. As Mrs N decided to proceed after having seen those warnings, I'm satisfied it was reasonable for Revolut to enact her authorised payment instructions. I don't think it had cause to complete further checks.

Mrs N reported the scam to Revolut the day after she made the payments. While I appreciate her disappointment that it couldn't recall the vast majority of the funds, I've seen records confirming the payments were moved on before she contacted Revolut about the scam. So I'm not persuaded any delays (as alleged by Mrs N) in dealing with her scam report affected Revolut's ability to recover her loss.

I appreciate Mrs N's frustrations that Revolut couldn't do more. But it can't recall funds that have been moved on from the recipient account. Unfortunately, it's common for scammers to quickly move funds through multiple accounts, to minimise the risk of them being recalled.

Overall, while I appreciate Mrs N has lost out to a cruel scam, I'm not persuaded failings by Revolut contributed to that loss. I therefore don't consider it fair to hold it liable for the payments Mrs N made, even though she was tricked into making them.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 11 December 2023.

Rachel Loughlin
Ombudsman