

The complaint

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

What happened

Mrs B holds a bank account with 'S'. She took out a £20,000 loan with S in August 2022, for the stated purpose of home improvements. Mrs B says she was going to get some quotes for works and had set up an account with Revolut to handle the works/expenses.

According to the records I've seen, Mrs B transferred £2,000 from S to Revolut on 10 August 2022. Shortly after, this amount was paid to 'B', a cryptocurrency merchant who Mrs B has confirmed she had an existing account with.

It appears Mrs B also initiated a payment of £18,000 from S to Revolut on 10 August 2022. This was initially paused by S, who spoke to Mrs B about it – having already questioned her about the earlier payment. The £18,000 payment shows as being credited to Mrs B's Revolut account on the evening of 11 August 2022.

On 12 August 2022, Mrs B says she received a call from someone claiming to be from Revolut. They told her she needed to move her funds to her B account because her Revolut account had been hacked.

Shortly after the £18,000 were moved, Mrs B checked her B account and saw the funds were no longer there. She reported to Revolut that she had been scammed and had lost £20,000. It didn't agree to refund her. She subsequently complained – and as Revolut maintained its stance, she referred her complaint to our service.

Our investigator looked into things but didn't uphold the complaint. They highlighted some apparent discrepancies between what Mrs B had told us, and Revolut, which didn't seem to match the account activity. Even if Revolut should have done more, they weren't satisfied it could be held liable for any loss incurred.

Mrs B has appealed. She says she tried to get statements for her B account, which the investigator had asked for, but hadn't been able to. She also said she had moved the £2,000 earlier but that the £18,000 had been moved due to the scam call – and then the full £20,000 had been taken from her B account. She says if Revolut had taken the steps S had to check the payments, the scam would have been identified and prevented.

The case has now been passed to me to decide. I have been in touch with both sides to check my understanding of what unfolded.

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. I'll explain why.

In line with the Payment Services Regulations 2017, Revolut is expected to act on authorised payment instructions without undue delay. So the starting position is that Mrs B is liable for payments she authorises. But Revolut would generally be liable for unauthorised payments taken from her account.

Mrs B has, at points, suggested she didn't make the payments. But when she first reported the scam to Revolut, she told it she had transferred the money to B. And when our investigator told Mrs B we could get audit information to check how the payments were made, she confirmed she made them. And as above, she has since told us she made the £2,000 payment.

Overall, while I appreciate Mrs B does seem to have been tricked by a scammer, it also seems she made the payments – or at least understood and agreed for the funds to be moved to B. And so I think the payments were authorised.

Even with authorised payments, there are some circumstances where we might expect Revolut – as a regulated electronic money institute (EMI) who has publicly committed to taking measures to help protect customers from fraud and scams – to identify, and respond to, a fraud risk. That might be appropriate if a payment appears significantly out of character with the usual operation of the account.

However, even if I felt that Revolut had failed to identify a fraud risk when it should have done, I would need to go on to consider whether it's likely that appropriate intervention in response to that risk would have prevented any fraudulent loss incurred.

Here, as this was a new account, Revolut didn't have knowledge of Mrs B's usual account activity and so didn't know what was normal for her. In those circumstances, I don't think the £2,000 payment should have been identified as presenting an obvious fraud risk. I appreciate the £18,000 payment arguably looked more concerning, given its value. Regardless, I'm not persuaded Revolut would likely have prevented any loss stemming from these transactions if it had questioned Mrs B about the reasons for them.

I've carefully weighed up and compared what our service, and Revolut, have been told about this scam over time. And I don't think I can safely rely on Mrs B's testimony that questioning and a warning from Revolut would have prevented her reported loss. That is because there are some discrepancies in her account of how the scam unfolded.

For example: when Mrs B first reported the scam to Revolut, she was asked about how it happened. She said she received one call on 12 August 2022, saying her account had been compromised. But, as mentioned above, the £2,000 payment had actually been made two days before.

When our investigator asked Mrs B who made the payments, she initially said all she had done was move the funds from S to Revolut. It was only after the investigator explained the information Revolut held about how the payments to B were processed that Mrs B said she had made them herself, but on the scammer's instructions.

The investigator then asked how many payments Mrs B had made on the scammer's instructions. She confirmed she had made two payments, for £2,000 and £18,000. When asked why she thought she had to make two payments, she said she was told it was to make sure the payments were received by B.

But then later in the call, Mrs B disputed moving the £2,000 payment to B. She said the two payments she made were the payments *into* the Revolut account. But that doesn't fit with her saying she was made the two payments to ensure the funds were received *by B*. And it contradicts what she has told us, and Revolut, at other points.

These different explanations raise further questions. Most recently, Mrs B says she was in contact with the scammer prior to the call on 12 August 2022, and that he was involved with the £2,000 payment. That contradicts what she told Revolut when reporting the scam – which I would normally place most weight on, as her recollections would have been clearest at that point. But then if, as initially reported, there was just one scam call on 12 August 2022, that doesn't fully account for how these funds were lost.

The timings here are important. When Mrs B transferred the funds from S to Revolut, S questioned her about each payment – and she said they were for home improvements. If true, it's unclear to me why Mrs B then transferred the £2,000 on to her cryptocurrency account with B, as she has now told me she did.

S also issued warnings relevant to the type of scam Mrs B reports falling victim to, which she acknowledged at the time. If she was in contact with the scammer then, or shortly after, I question what else Revolut should have said to her which would have persuaded her it was, in fact, a scam.

This also suggests Mrs B may not have been honest with S about the reason for the payments. As she says she was in contact with the scammer when making the £2,000 payment. And that is the same day she made the transfers from S to Revolut, which she told S were for home improvements.

We know it is common in these types of scams for victims to be told not to tell their account provider what they are doing. For example they may be told staff are under suspicion, so it's not safe to tell them. If that happened here, and Mrs B would therefore have given a cover story if questioned by Revolut about the payments, I'm not confident it would have been able to work out, and successfully warn Mrs B, she was falling victim to a scam.

Relevant to this is the difference between what Mrs B told Revolut when first reporting the scam, and what she has since told us. As I've said above, I'm not persuaded a one-off scam call on 12 August 2022 accounts for what happened here. But if that isn't what happened, then it appears Mrs B omitted details of the scam when reporting it to Revolut on the day. Which I think is a further indication she may not have been forthcoming if questioned about the £18,000 payment earlier that same day.

The investigator asked Mrs B for statements showing the money being paid into, and moved on from, her B account. They sent instructions for how she could access them. Mrs B says she couldn't work out how to do this. But I don't think this was an unreasonable request, as she has confirmed she does genuinely hold the account

The onus lies with Mrs B to substantiate the loss she is alleging is attributable to failings by Revolut. Without that, I'm not persuaded it's fair to make the award she is seeking. Knowing how the B account was used at the time is relevant to establishing how the scam unfolded. And that in turn is relevant to my decision about whether Revolut ought to have been able to uncover the scam, and whether it should therefore be held liable for the loss.

I also agree with the investigator that Revolut didn't miss an opportunity to recover the loss when Mrs B reported the scam. She made card payments to her B account, and it seems the scammers were somehow able to access the funds from there. While card payments are covered by the chargeback scheme, that only gives recourse to successful claims in certain circumstances, subject to the rules set by the card scheme provider.

Here, B provided the expected service as it acted on Mrs B's payment instructions and loaded the funds to her wallet as requested. There wouldn't be grounds for a successful chargeback claim in those circumstances. There must have been a further action, by the scammer rather than B, which caused the loss.

I know Mrs B will be disappointed by this outcome. I would say that, on balance, I do believe she has fallen victim to a scam. But that alone doesn't mean Revolut is liable for her loss. In the circumstances, her explanation of how the scam unfolded doesn't lead me to think it's likely Revolut ought to have been able to prevent the loss reported. So I don't consider it fair to direct Revolut to reimburse her for this.

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 B to accept or reject my decision before 24 November 2023.

Rachel Loughlin
Ombudsman