

The complaint

Mrs H complains that Revolut Ltd did not refund a series of transactions she says she lost to scam.

What happened

Mrs H received a text claiming to be from a third-party bank, asking if she had attempted to make a payment of £399.99. She replied with 'no' and then received a phone call from an individual claiming to be from the bank. She says they had information about her, such as her name, date of birth and the username and memorable word from her online banking. They advised her that to keep her funds safe, she needed to download the Revolut app and open an account with them. Mrs H made three payments out of the Revolut account:

- 31st July 2023 - £100
- 31st July 2023 - £100
- 31st July 2023 - £9,650

She was advised to call the individual she had been dealing with the following day, but when she did, she felt something was not right. She telephoned her third-party bank and realised at that point that she had been the victim of a scam and had been tricked into sending her money to an individual.

Mrs H contacted Revolut and made them aware of the scam. They attempted to recover the funds, but at that time were unable to. Mrs H has since let us know that £100 has been recovered from one of the beneficiary accounts. Revolut did not think they could have done more to prevent the scam from occurring so did not reimburse Mrs H.

Mrs H referred the complaint to our service and our Investigator looked into it. They did not think the first two payments were unusual enough to have warranted intervention from Revolut as they were not of a particularly high value. And they could see that the final payment of £9,650 was picked up for further checks. During the chat, Mrs H confirmed no one had contacted her telling her to move her money to a 'safe account'. The Investigator felt Revolut could not have done more to help Mrs H as they could only act on the information provided to them. So, they thought Revolut had acted reasonably in the circumstances.

Mrs H disagreed with the outcome and felt Revolut had not sufficiently intervened in the high value payment before it was processed, so she felt they should take some responsibility for the loss.

As an informal agreement could not be reached the complaint has been passed to me for a final 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mrs H authorised the payments in question as she believed she was doing so to keep her funds safe. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mrs H's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mrs H's account safe.

I'm satisfied that the first two payments of £100 were not so unusual that they warranted intervention from Revolut. However, I think the third payment of £9,650 was a significant increase in value and was the third payment in a short period of time, so required a more proportional intervention from Revolut.

I can see Revolut did pause the payment to ask Mrs H some additional questions about it via the in-app chat. I appreciate Mrs H feels that Revolut should have called her over the telephone, however Revolut largely communicate via the in-app chat and, generally speaking, telephone calls are not one of their methods of communication. I can see that for the payment of £9,650 there was a human intervention via the in-app chat, which is what I would have expected Revolut to do in the circumstances.

In the chat Revolut provided a warning about safe account scams and explained if Mrs H had been called by another bank claiming her account was not safe and she needed to move funds to a new 'safe' account, this was a lie and a tactic that scammers use to scare people. They then asked her if this was the reason for her transfer and she said 'no'. They then asked if anyone had contacted her unexpectedly by phone or text, asking her to move money to another account and she said 'no'. After a few more questions they asked Mrs H to confirm that she had been warned this was likely a scam and it was unlikely her funds would not be recovered if she proceeded with the transaction, which she did.

Revolut was only able to provide more specific warnings or prevent scam payments if they had reason to suspect Mrs H was the victim of a scam. As Mrs H had been guided by the scammer over the phone to answer Revolut's questions in such a way that they avoided suspicion, it is difficult for me to agree that Revolut could have done more to meaningfully reveal the scam. I do acknowledge that Revolut could have asked more about the actual purpose for the payment. But I'm mindful that Mrs H was on the telephone with the scammer at the time and was being coached by them on what to say. I therefore think it's more likely they also would have guided her to provide an answer that would have continued to avoid suspicion.

I want to acknowledge that Mrs H has been the victim of a scam, and I'm sorry she has gone through this experience. Ultimately, the party at fault is the scammer and as this complaint is against Revolut, I can only assess their actions in relation to the payment. Having done so, I don't think they could reasonably have done more in the circumstances to reveal the scam prior to the payment being processed. So, I don't think they need to reimburse Mrs H in the circumstances.

I can see that Revolut did contact the receiving banks to see if any funds remained. One of the banks confirmed soon after that no funds remained in the beneficiary account; however, the second bank did not provide a response until after our service had issued an initial outcome. Revolut has now confirmed £100 remained in the other beneficiary account and that this would be returned to Mrs H. I therefore think Revolut took steps to try and recover Mrs H's funds once it was aware of the scam. Unfortunately, scammers generally tend to move on funds as soon as possible after a payment is made, so the majority no longer remained.

My final decision

I do not uphold Mrs H's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 October 2024.

Rebecca Norris
Ombudsman