

## **The complaint**

Miss L complains that Revolut Ltd won't refund money she lost when she fell victim to a safe account scam.

Miss L is being represented by a claims management company in this complaint.

## **What happened**

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

Briefly, Miss L fell victim to a safe account scam in November 2023. She received calls from individuals purporting to be from Revolut and bank "B" who she also has an account with. The phone numbers the individuals had called from were spoofed. The callers advised Miss L that her account was at risk, and she needed to move her money to keep it safe.

Miss L made three transactions totalling £6,500 from her Revolut account to a third-party's account. After the call had finished, she became suspicious and phoned B. This is when she realised that she had been scammed.

## **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.

It's not in question that Miss L was the victim of a cruel scam. And it's very unfortunate that she's lost a significant amount of the money. But Revolut doesn't automatically become liable to reimburse her loss. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. Here, it's not in dispute that Miss L authorised the transactions in question.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be good industry practice at the time, I consider it fair and reasonable that in November 2023 Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams,
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is

particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer,

- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so,
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments),
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

The first disputed transaction, for £1,950, flagged as suspicious on Revolut's fraud detection systems and was blocked. Revolut advised Miss L that the payment was flagged as a potential scam. It then asked her to answer a series of questions, including whether she was being guided on what to do or being told that the situation was urgent. Revolut has provided Miss L's response to that question, as well as subsequent questions. I can see she told Revolut that no one was assisting or guiding her.

The next question Miss L was asked was why she was making the payment. Miss L was required to select from a list of options. She selected 'pay a family member or friend'. The next few questions were specific to the option Miss L had selected, such as whether the individual she was paying had asked for help unexpectedly; whether she'd made a payment to them before; and how they'd provided their bank details. Miss L's answers confirmed that: she hadn't been asked for help unexpectedly; she hadn't made a payment to the beneficiary before; and the bank details were provided face-to-face.

Following this, Miss L was provided a scam warning which covered the typical features of the scam type Revolut had identified based on her answers. The warning was presented over a series of screens which Miss L couldn't skip. At the end of the warning, Miss L was presented with the option of cancelling the payment or sending it. She went ahead with it. Revolut provided a final warning in the form of a 'Risk agreement' which required Miss L to type her name to confirm she'd read and understood that she had been warned the payment was suspicious, and she risked losing her money. Following Miss L's confirmation, the transaction was executed.

I've thought very carefully about what happened here. Revolut recognised that the transaction carried a heightened risk of financial harm from fraud and took additional steps. In the circumstances of this case, and given the transaction amount involved, I'm consider that the steps it took – establishing the nature of the transaction to provide a better automated warning – was proportionate to the risk involved. Unfortunately, Miss L didn't respond to Revolut's queries accurately. For instance, she reassured the EMI that she wasn't being guided when I understand that she was. Also, she wasn't paying a family member or friend. She was led to believe she was moving her money to keep it safe.

Miss L's representative submits that there was no option to select safe account from the list of available options. I accept what the representative has said. But as they know, there was an option to select 'something else' if none of the other options were applicable to why Miss L was making the transaction. I can also see that the investigator asked why Miss L

decided to select the option that she did despite there being a more appropriate option. But no explanation has been forthcoming. It is my understanding that in November 2023, had Miss L selected 'something else', the next question would have asked her to select the option that best applied to the transfer reason. And that list included moving money because the account wasn't safe.

I think it's also important to mention that in her complaint submission, her representative has quoted Miss L as saying the following about the scammer: *"The fact that they were constantly checking on me and giving me time to question them about everything before completing the transactions."* That tells me that despite creating a situation of panic, Miss L did ask questions and, presumably, felt reassured by the scammer's responses. She's also said that she complied with their instructions. In the circumstances, I think it's more likely than not that Miss L had been coached on how to answer Revolut's questions.

Revolut didn't take any additional steps when the next two transactions – £4,000 and £550 to the same payee – were authorised later that day. It's arguable whether the EMI should have intervened again when it received Miss L instructions to pay the larger amount. In the event that it had, much for the same reasons as I've given above, I think it's unlikely Revolut could have known that she had fallen victim to safe account scam.

Even if I were to make a finding that Revolut should have directed Miss L to its in-app chat (to be clear that is not my finding here), given she was being guided by the scammer who was in constant contact, on balance I'm not convinced that her responses to additional questions would have been forthcoming about the true purpose of the payment.

What this means is that under the circumstances, I don't consider Revolut acted unfairly in executing Miss L's authorised instructions.

I've also thought about recovery of the payments once Revolut became aware of the situation. I can see that it contacted the beneficiary bank as soon as Miss L reported the scam. Unfortunately, the scammer had moved most of the money out of the beneficiary account and only £184 remained for recovery. I can see that both Revolut and our investigator have informed Miss L's representative that Revolut will require her account details for that amount to be paid back to her, given her Revolut account is now closed.

In conclusion, I know that Miss L will be disappointed with this outcome. Despite my natural sympathy for the situation in which she finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 30 July 2024.

Gagandeep Singh  
**Ombudsman**