

The complaint

Miss L complains about the actions of Revolut Ltd when she lost money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In December 2023 Miss L received an e-mail asking her to pay a small fee for a parcel that had been delayed. Miss L made the small payment of £1.28 and then received a text message from who she believed was her bank – I'll refer to here as 'D' - asking her if she had authorised some transactions. When Miss L said she hadn't authorised any transactions she received a call from who she thought was D's fraud team asking her to move money to a safe account.

Miss L was then convinced to send money (£26,500 in total) to a new safe account held with Revolut before being asked to send the money onto third parties from 28 December 2023 to 01 January 2024. After Revolut blocked Miss L's account she sent the remaining funds in her account to a family member who then sent the money to the third parties.

On 13 January 2023 Miss L realised she had been scammed so she contacted Revolut. Revolut considered a scam claim but decided it wasn't going to offer Miss L a refund. Miss L was unhappy with that response, so she made a complaint. Revolut considered the complaint but didn't uphold it because it had provided her with reasonable scam prevention measures and warnings. So, Miss L brought her complaint to this service.

Our investigator didn't think the complaint should be upheld. She said the interventions by Revolut were reasonable in the circumstances and it had reasonably tried to recover Miss L's money without success. She added that Revolut wasn't aware of Miss L's personal circumstances nor could it have reasonably known that the scammers had lied to Miss L about malware being on her phone which made Miss L think she had to do as the scammers instructed when moving her money.

Miss L disagreed and asked for an Ombudsman's review. She said that Revolut hadn't treated her fairly and that she should be refunded her money.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Miss L has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It is common ground that Miss L authorised the scam payments of around £26,500. I accept that these were authorised payments even though Miss L was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Miss L is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Revolut's first obligation is to follow the instructions that Miss L provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

The investigator felt that Revolut's intervention on the first payment on 28 December 2023 of £3,000 was reasonable. Miss L was asked why she was making the payment and she responded to say that she wasn't being told what to say to Revolut, that the payment was being sent to a family member or friend for something they'd purchased on her behalf, she'd got the details on who to pay face to face and that she hadn't been asked to make the payment unexpectedly.

Revolut then asked Miss L further questions via the in-app chat. Miss L said that she needed to pay her friend money for an online course. Revolut said that scammers may sometimes impersonate it or a bank before pressuring people into making a payment and telling them to ignore warnings. Revolut asked Miss L to let it know if she had any concerns about her account safety as well. But Miss L said she wasn't being guided and that she opened the account with Revolut to send savings from D.

I've carefully considered the exchange between Miss L and Revolut. And I believe it's at this point that Miss L should've realised that something wasn't right and that she was being given conflicting information between the scammers and Revolut. I think the questions and warnings she received were clear and I don't think there was enough here for Revolut to have reasonably realised Miss L was being scammed and refused to have made the payment.

On 30 December 2023 Miss L was asked to make two £4,500 payments to a new payee by the scammers. Revolut again stopped the first payment and repeated the same process as it did for the first payment towards the scam but was met with the same responses from Miss L. Again, I don't think there was enough happening here for Revolut to have refused to make the payment.

On 02 January 2024 Miss L tried to deposit £4,500 into her Revolut account but opened a chat with Revolut after her payment was sent back. Revolut told her that her account had been restricted because it thought the payments she was making were most likely as a result of a scam. Revolut again asked Miss L questions about her payments. Miss L said she

had known the payees for a number of years and had met them in person. Revolut didn't believe the answers that Miss L was providing and asked for information about the online courses and companies involved. But Miss L didn't respond until she decided to raise the scam on 13 January 2024.

I understand that Miss L was told by the scammers that her actions were being watched because some malware had been downloaded to her phone. But I don't think I can reasonably say Revolut should've been aware of that and then refused to make the transactions. So overall, I'm satisfied Revolut responded reasonably to the information that it was being given and reasonably blocked the account in January 2024 to try and stop Miss L from incurring any further losses to the scammers.

I appreciate this will come as a disappointment to Miss L, and I'm sorry to hear about her personal circumstances and that she has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her loss in these circumstances.

I've considered whether Revolut acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Revolut did what it should have when Miss L raised the scam. But when it contacted the receiving banks, the money had already been moved on.

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 Miss L to accept or reject my decision before 6 August 2024.

Mark Dobson
Ombudsman