

## The complaint

Miss G complains that Revolut Ltd will not refund the money she lost when she was the victim of a scam.

## What happened

In December 2023 Miss G was contacted by someone claiming to be from another bank, N, where she and her parents held significant savings. They asked her if she was aware of two transfers from a joint savings account held with her father, into a savings account in Miss G's sole name. They also said that loans had been taken out in her name. Miss G did not recognise any of those payments, and was told she'd be contacted by someone from the Financial Conduct Authority (FCA) to tell her what to do next.

Miss G received a call as expected, and was told that employees of N may be trying to defraud her and her parents. To protect their money, she was told she must move the funds out of N, and into other accounts she and her parents held elsewhere, before moving those funds on to new 'safe' accounts. Unfortunately, and unknown to Miss G, the people she was speaking with were not legitimate representatives of N or the FCA, they were scammers.

Over the course of two days Miss G moved funds from her accounts at N and another bank, B, to Revolut before ultimately sending the funds to third party accounts being used by the scammers. Miss G made the following payments out of her Revolut account:

Payment	Date	Time	To	Amount
1	06/12/2023	12:22	Payee 1	£12,500
2	06/12/2023	13:04	Payee 1	£8,412.38
3	06/12/2023	15:33	Payee 2	£10,500
4	07/12/2023	11:14	Payee 3	£19,500
5	07/12/2023	11:47	Payee 4	£17,000

Miss G has said that she was on the phone with the scammer for many hours, and they told her what she needed to do at each stage. B and N spoke with Miss G about several of the payments she made out of her accounts, but the scam did not come to light during those conversations.

Late on 7 December, when the scammer had not contacted Miss G for several hours, she became concerned. And on contacting N to find out what was happening she discovered she had been the victim of a scam and her and her parents' money had ultimately been sent to a scammer.

Revolut considered Miss G's circumstances, but did not think it was liable for any of her loss. It said it had provided her with appropriate warnings regarding the payments she was making. It was though able to recover some of the funds from one of the recipient banks,

and £6,380.55 was returned to Miss G's Revolut account. Miss G was unhappy with Revolut's response, so she referred the complaint to our service.

One of our Investigator's looked into what had happened, but while they felt Revolut should have done more to intervene in the payments Miss G was making, they did not consider that Revolut could have done anything to prevent Miss G's loss, as when N and B did intervene in payments Miss G was not honest about what she was doing.

Miss G did not agree this was fair, she maintains that she was under enormous stress and pressure from the scammers, and did not deliberately mislead any of the banks involved. She considers that Revolut should bear some responsibility for her loss.

As no agreement could be reached this case has now been passed to me for a 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

It's not in dispute that Miss G authorised the payments that are the subject of this complaint. So, as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Miss G is responsible for them. That remains the case even though she was the unfortunate victim of a scam.

Because of this, Miss G is not automatically entitled to a refund. And Revolut is not a signatory of the Contingent Reimbursement Model Code (the Code), and so the terms of the Code are also not relevant here. Nonetheless, the regulatory landscape, along with good industry practice, 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.

Taking the above into consideration, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss G, or whether it should have done more than it did.

In this case, I agree with our Investigator that the value of the payments Miss G was making from her Revolut account, plus the fact that they were to new payees, and were out of character given the usual activity on her account, means that Revolut should have done more to ensure that Miss G was not at risk of financial harm. Given the high values we are talking about here, I think this should have been in the form of direct contact with Miss G via the Revolut app (or potentially on the phone if it had not been able to make contact on the app).

And I note that Revolut did contact Miss G via the Revolut app about one of the payments she was making, the payment for £8,412.38. When questioned Miss G said this payment was to someone she knew for a venue associated with a wedding. Miss G said she had been given the account details face-to-face. During this chat Miss G was warned that scammers may impersonate Revolut or other banks, pressure her to make payments, and tell her to ignore warnings. Revolut also asked Miss G if she was being guided by anyone in how to answer the questions she was being asked. Miss G said she was not being guided. When Miss G tried to make another payment later on in the scam, to a payee associated with cryptocurrency, Revolut again questioned her about what she was doing, and Miss G was again not honest about the reason for the payment. That payment was not completed.

With this in mind, and with what I've seen about the interactions Miss G had with the other banks from which she made payments to her Revolut account to fund the scam, I'm satisfied that any further intervention from Revolut would not have stopped Miss G from proceeding with the payments.

I say this because Miss G appears to have been coached by the scammer to mislead the banks involved in the payments about why she was making the payments that are part of this scam. Specifically, Miss G variously told the other banks that she was moving funds for an upcoming holiday, that she was 'diversifying her portfolio' by moving money to different accounts to make the most of interest rates, and that she was paying for building work.

Miss G has explained the enormous pressure she was under to do as the scammer told her, and I don't doubt that she sincerely believed she was speaking with a member of N's fraud team. But the fact remains that the scammers were manipulating her into being dishonest about what the payment were for, and this would have seriously impaired any bank's ability to uncover the scam.

I think I must also bear in mind that, during her interactions with B, N and Revolut Miss G received several relevant scam warnings, which highlighted specific aspects of the scam she was falling victim to, but this still did not make Miss G stop to question what was going on.

These warnings highlighted relevant red flags such as:

- Asking if she had been told to move her money unexpectedly;
- Asking if she had been told to lie or give a false story about payments;
- Warnings that scammers can impersonate banks;
- Warnings that if she has been asked to move money to a safe account then that is a scam;
- Warnings that scammers will often tell their victims not to trust the bank or to lie to the bank.

All of these points should have resonated with Miss G, given what was happening to her, but she was clearly so far under the spell of a sophisticated scammer that these warnings were not able to break that spell. And Miss G continued to make payments to the scammers despite being warned of exactly the scam she was a victim of.

So, given that Miss G had received relevant warnings, but had continued to make payments, and that she had been dishonest with more than one bank about the circumstances surrounding the payments, it is very difficult for me to say that any similar questioning from Revolut would have given us a different result. I think it is more likely than not that Miss G would have continued to follow the instructions of the scammer and not be honest about what she was doing and why.

I understand why Miss G did what she did, she sincerely believed she was talking to N and so did as she was told to protect her and her parents' money. The actions Miss G took are entirely understandable in the circumstances. I also don't doubt that she was under extreme stress at the time.

However, what I need to consider here is whether Revolut could have done anything to uncover the scam. And, given what it would have likely been told if it had questioned Miss G further, I am satisfied it could not have done more.

I want to be clear, I do not think Miss G is at fault here, but the criminal party here is the scammer, not Revolut or any of the other banks from where she moved money. I am

satisfied that Revolut would not have been able to protect Miss G from this scam because of the high level to which she was being manipulated and coached by the criminals who were scamming her.

I've also thought about whether Revolut did all it could to try to recover Miss G's funds when she told it of the scam. And I am satisfied it did so, it contacted the receiving banks within a reasonable time of being notified of the scam, but unfortunately much of the money had already been moved on by that stage, so Revolut was only able to recover £6,380.55 of Miss G's loss.

I'm sorry to disappoint Miss G as I know that she has lost a significant amount of money. But bearing in mind all the circumstances of this case I cannot fairly say that Revolut should be responsible for her loss.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 19 December 2024.

Sophie Mitchell  
**Ombudsman**