

The complaint

Ms S complains she was the victim of a number of investment scams and that Revolut Ltd (“Revolut”) didn’t do enough to recover her money.

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.

Ms S complains she was the victim of multiple scams involving over 40 transactions made via card payment and transfers between February 2020 and July 2020. At least one of these scams involved her allowing remote access to her computer, so a third party could “trade” on her behalf.

Ms S realised she’d been the victim of a scam when she was unable to withdraw her funds from one of the scammers.

Ms S raised a complaint with Revolut and requested a refund of all of the transactions. Revolut declined this request.

I issued a provisional decision on 4 August 2023 in which I said the following;

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

“Ms S authorised the payments she made, even though she was duped into making them. The starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer’s account. And under the Payment Service Regulations 2017, Ms S is presumed liable for the loss in the first instance.

However, taking into account the law, regulators rules and guidance, relevant codes of practice, and what I consider to have been good industry practice at the time. I consider that Revolut should fairly and reasonably:

Have been monitoring accounts and any payments made or received to counter various risks, such as money laundering and countering the financing of terrorism, and 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 banks are generally more familiar with than the average customer.

In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this instance, I am satisfied that Revolut should have intervened and asked probing questions about the payments that Ms S was making when a payment of \$6,115 was made on 10 April 2020. But had such an intervention took place I am not satisfied that it would have prevented Ms S with carrying on with the transaction and the ones that followed. Let me explain why.

In 2018 Ms S was a victim of a similar scam in which she allowed a third party to use her computer to make trades. I note that she raised a complaint with a different bank about this. So I think Ms S was already aware before 2020 of the risks of allowing a third party to access her computer to make 'trades'. As she then proceeded to be scammed again in a similar manner - despite being aware of the risks of this sort of scam - I don't think a warning would have changed anything.

Moreover, in June 2020 Ms S was contacted about a transaction by a different bank as it was concerned that Ms S had installed remote access software on her computer. From the notes of the call, Ms S was warned about possible fraud, but in response Ms S explained that the transactions were legitimate and the remote access software was used by her occasionally.

From the available notes from the other bank, Ms S seems to have also explained during the call that she had been scammed before but was confident that the company she was dealing with was legitimate this time around. Ms S then went on to proceed with the transaction. So given this, had Revolut also intervened and provided a warning, I really don't think that Ms S would have changed her decision to go ahead with the transactions, as a similar warning had no effect on Ms S's choice to proceed. Overall then I don't think the scam would have been prevented if Revolut had intervened and provided a warning, so it follows that I can't reasonably require Revolut to refund the transactions in question.

I've also thought about whether Revolut could have done more to recover the funds after Ms S reported the fraud. However, in these circumstances, I don't think that Revolut could have recovered the funds either through a series of chargebacks for the debit card payments or by raising an indemnity with the receiving bank for the transfers. I say this because it looks as if, for the most part, Ms S got what she paid for - which was crypto currency or gold that was then forwarded on to a third party and I find it unlikely that any funds transferred to a third parties account would remain in the account for long enough for them to have been recovered when Ms S first complained.

Revolut are also under no obligation to refund the money to Ms S under the Contingent Reimbursement Model (CRM) Code either, as they do not participate in that particular scheme.

So overall I think that Revolut should have intervened, but I don't think that the intervention would have made a difference in this instance and I'm strongly of the view that Ms S would've continued with the transactions even if Revolut had warned her about the risk of fraud. I also do not believe that Revolut could have recovered the funds by other means. So I currently don't think this complaint should be upheld and therefore I don't think that Revolut should reimburse Ms S for any of the transactions that she has complained about."

In response Revolut did not disagree with my provisional decision. Ms S did not agree with my decision, but did not raise any new points.

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.

So in summary, I think that Revolut should have intervened, but I don't think an intervention would have changed Ms S's decision to carry on with the transactions, as she was confident that the 'investments' she was making were legitimate. I also don't think that the funds could have been recovered via other means.

So having reconsidered everything I do not uphold this complaint. I appreciate this will come as a disappointment to Ms S and I would like to reassure her that I'm very sorry to hear she's been the victim of a such a number of cruel scams. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

Because of the reasons given above and in my provisional decision, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 23 October 2023.

Charlie Newton
Ombudsman