

The complaint

Mr R complains that Revolut Ltd (Revolut) won't refund the money he lost after falling victim to a scam.

What happened

In summary: Mr R has told us that he met an individual online – who I'll refer to as B. Mr R had been talking to B and then lost contact, until B started messaging him again in September 2022.

Mr R says B encouraged him to use drugs and then while he was under the influence asked him to send them money. Mr R also told Revolut that B asked to borrow money which they haven't paid back.

Mr R made the following payments to B.

Date	Details of transaction	Amount
30.9.2022	Payee B	USD25
30.9.2022	Payee B	USD50
30.9.2022	Payee B	USD60
30.9.2022	Payee B	USD21
30.9.2022	Payee B	USD50
30.9.2022	Payee B	USD50
30.9.2022	Payee B	USD150
30.9.2022	Payee B	USD68
30.9.2022	Payee B	USD96
30.9.2022	Payee B	USD40
30.9.2022	Payee B	USD50
30.9.2022	Payee B	USD45
9.10.2022	Payee B	USD50
9.10.2022	Payee B	USD100
9.10.2022	Payee B	USD50
9.10.2022	Payee B	USD150
9.10.2022	Payee B	USD150
9.10.2022	Payee B	USD300
9.10.2022	Payee B	USD318
	Total loss	USD1,823

Mr R raised a fraud claim with Revolut on 10 October 2022, asking them to refund him.

Revolut investigated but declined to refund Mr R, saying that he was shown a warning when he made the payments and that no funds could be recovered from the beneficiary's account. However, Revolut offered to make a goodwill gesture and refunded USD450.

Mr R wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator considered Mr R's complaint but didn't uphold it. The investigator explained that the payments weren't covered by the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code), and they didn't consider them unusual or out of character so wouldn't have expected Revolut to intervene before processing them.

Mr R disagreed with the investigator's opinion, saying such a high number of payments made in a short period of time should've been concerning for Revolut.

As the case couldn't be resolved informally, it was passed to me for a decision.

Having reviewed the case, I intended to reach the same overall answer as the investigator but for different reasons. So, I wrote to Mr R and Revolut to let them know my reasoning and asked for any further evidence or comments they wanted me to consider before issuing 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 broad terms, the starting position in law is that Revolut is expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's).

Revolut aren't a signatory to the Lending Standards Board's Contingent Reimbursement Code (the CRM Code), so I can't apply it to the payments Mr R made.

Having carefully considered all of the evidence, I'm not satisfied that I can fairly ask Revolut to refund Mr R, and I'll explain why.

Having reviewed the messages and screen shots that Mr R has shared, I'm not satisfied that there is sufficient evidence to say he was the victim of a scam.

I say this because the messages we've seen only mention the last payment of USD318. There is no explanation of what reason was given as to why B wanted each of the payments, or what agreement was made between Mr R and B for each of the payments he made. Also, there is no evidence that B asked to borrow money then refused to repay it.

A scam is a situation where the consumer is tricked into making a payment to someone under false pretences or tricked into making a payment to someone other than the person they'd expected to pay. And I can't safely say that this is the situation in this case, based on the evidence we've been given. When I wrote to Mr R on 16 October 2023, I gave him the opportunity to provide more of the messages between him and B, however he hasn't provided any further evidence.

Mr R has raised concerns about the number of payments he made and Revolut not becoming concerned and intervening. However even if Revolut had identified a potential scam risk with the payments – I'm not convinced that intervention by Revolut would've made a difference.

If Revolut had intervened and contacted Mr R about the payments, I think it's most likely that he would've told Revolut that he was sending money to a friend. And, based on the current evidence, I can't say that Revolut would've or could've uncovered any information that should've resulted in them refusing to follow Mr R's payment instructions.

So, having carefully considered everything we've got I'm not satisfied I can fairly hold Revolut liable or ask them to refund Mr R. On that basis, the goodwill gesture Revolut have already made of USD450, is more than I would've recommended.

My final decision

My final decision is that I don't uphold this case against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 December 2023.

Lisa Lowe
Ombudsman